

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2008 calendar year, or tax year beginning** 08/01, 2008, and ending 07/31, 2009

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>Please use IRS label or print or type. See Specific Instructions.</b>	<b>C Name of organization</b> AMERICAN ASSOC OF ORTHODONTISTS FDN		<b>D Employer identification number</b>
		Doing Business As		43-6056320
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite		<b>E Telephone number</b>
		401 N LINDBERGH BLVD		(314) 993-1700
City or town, state or country, and ZIP + 4		ST. LOUIS, MO 63141-7816		<b>G Gross receipts \$</b> 14,451,349.
<b>F Name and address of principal officer:</b> ROBERT HAZEL		401 N. LINDBERGH BLVD ST. LOUIS, MO 63141		<b>H(a) Is this a group return for affiliates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>I Tax-exempt status:</b> <input checked="" type="checkbox"/> 501(c) (3 ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				<b>H(b) Are all affiliates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
<b>J Website:</b> WWW.AAOFFOUNDATION.NET				<b>H(c) Group exemption number</b> ▶
<b>K Type of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L Year of formation:</b> 1961		<b>M State of legal domicile:</b> MO

## Part I Summary

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: THE FOUNDATION PROVIDES SUPPORT FOR RESEARCH AND EDUCATION IN THE FIELD OF ORTHODONTICS.		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	16
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	16
	<b>5</b> Total number of employees (Part V, line 2a)	<b>5</b>	2
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	19
	<b>7a</b> Total gross unrelated business revenue from Part VIII, line 12, column (C)	<b>7a</b>	NONE
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	NONE	
<b>Revenue</b>	<b>8</b> Contribution and grants (Part VIII, line 1h)	Prior Year	Current Year
	<b>9</b> Program service revenue (Part VIII, line 2g)	1,648,287.	970,838.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	222,039.	NONE
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-13,907.	-1,670.
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,856,419.	-728,882.
	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	459,429.	111,374.
<b>Expenses</b>	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		NONE
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	229,248.	245,063.
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)		NONE
	<b>b</b> Total fundraising expenses, Part IX, column (D), line 25) ▶ 303,751.		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	824,616.	757,076.
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,513,293.	1,113,513.
<b>Net Assets or Fund Balances</b>	<b>19</b> Revenue less expenses. Subtract line 18 from line 12	343,126.	-1,842,395.
	<b>20</b> Total assets (Part X, line 16)	Beginning of Year	End of Year
	<b>21</b> Total liabilities (Part X, line 26)	27,657,748.	25,058,082.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	309,742.	225,648.
		27,348,006.	24,832,434.

## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer	Date
	Type or print name and title	
<b>Paid Preparer's Use Only</b>	Preparer's signature ▶	Date
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ RUBINBROWN LLP ONE NORTH BRENTWOOD SAINT LOUIS, MO 63105	Check if self-employed <input type="checkbox"/>
		EIN ▶ 43-0765316
		Phone no. ▶ 314-290-3300

May the IRS discuss this return with the preparer shown above? (See instructions)  Yes  No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2008)

**Part III Statement of Program Service Accomplishments** (see instructions)

**1** Briefly describe the organization's mission:

THE FOUNDATION PROVIDES SUPPORT FOR RESEARCH AND EDUCATION IN THE FIELD OF ORTHODONTICS.

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes" describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O.

**4** Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (Code: ) (Expenses \$ 211,873. including grants of \$ 111,374. ) (Revenue \$ )

SEE SCHEDULE O STATEMENT OF PROGRAM SERVICE ACTIVITIES, WHICH INCLUDE FELLOWSHIPS, RESEARCH, COLLECTIONS AND ACCESS TO CARE PROGRAMS.

**4b** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4d** Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e Total program service expenses** ▶ \$ 211,873. (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2	Is the organization required to complete Schedule B, Schedule of Contributors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5	<b>Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input type="checkbox"/>
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10	Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? <i>If "Yes," complete Schedule F, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19	Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
22	Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	<input type="checkbox"/>	<input type="checkbox"/>
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	<input type="checkbox"/>	<input type="checkbox"/>
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	<input type="checkbox"/>	<input type="checkbox"/>
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Part IV Checklist of Required Schedules (continued)**

		Yes	No
<b>28</b>	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
<b>a</b>	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		X
<b>b</b>	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		X
<b>c</b>	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		X
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .		X
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .		X
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .		X
<b>32</b>	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .		X
<b>33</b>	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .		X
<b>34</b>	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	X	
<b>35</b>	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .		X
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .		X
<b>37</b>	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, question text, and Yes/No columns. Includes questions 1a through 12b regarding IRS filings and tax compliance.

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

Table with 11 rows of questions regarding governing body management, including voting members, family relationships, and documentation. Includes 'Yes' and 'No' columns.

Section B. Policies

Table with 12 rows of questions regarding organizational policies such as conflict of interest, whistleblower, and document retention. Includes 'Yes' and 'No' columns.

Section C. Disclosure

Table with 4 rows of disclosure questions, including state filing requirements and public availability of documents. Includes 'Yes' and 'No' columns.





**Part VIII Statement of Revenue**

43-6056320

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b>	Federated campaigns . . . . .	<b>1a</b>					
	<b>b</b>	Membership dues . . . . .	<b>1b</b>					
	<b>c</b>	Fundraising events . . . . .	<b>1c</b>	8,720.				
	<b>d</b>	Related organizations . . . . .	<b>1d</b>					
	<b>e</b>	Government grants (contributions) . .	<b>1e</b>					
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above .	<b>1f</b>	962,118.				
	<b>g</b>	Noncash contributions included in lines 1a-1f: \$						
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . . ▶		970,838.				
	<b>Program Service Revenue</b>				<b>Business Code</b>			
		<b>2a</b>						
<b>b</b>								
<b>c</b>								
<b>d</b>								
<b>e</b>								
<b>f</b>		All other program service revenue . . . . .						
<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . . ▶		NONE					
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		514,503.			514,503.	
	<b>4</b>	Income from investment of tax-exempt bond proceeds . . . ▶		NONE				
	<b>5</b>	Royalties . . . . . ▶		NONE				
	<b>6a</b>	Gross Rents . . . . .	(i) Real	(ii) Personal				
			Less: rental expenses . . . . .					
			Rental income or (loss) . . . . .					
			<b>d</b> Net rental income or (loss) . . . . . ▶			NONE		
	<b>7a</b>	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			Less: cost or other basis and sales expenses . . . . .					
			Gain or (loss) . . . . .					
			<b>d</b> Net gain or (loss) . . . . . ▶			-2,212,553.		
	<b>8a</b>	Gross income from fundraising events (not including \$ <u>8,720.</u> of contributions reported on line 1c). See Part IV, line 18. . . . . <b>a</b>			39,565.			
			Less: direct expenses . . . . . <b>b</b>		41,235.			
			<b>c</b> Net income or (loss) from fundraising events . . . . . ▶			-1,670.		
	<b>9a</b>	Gross income from gaming activities. See Part IV, line 19. . . . . <b>a</b>						
			Less: direct expenses . . . . . <b>b</b>					
			<b>c</b> Net income or (loss) from gaming activities . . . . . ▶			NONE		
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . . <b>a</b>							
		Less: cost of goods sold . . . . . <b>b</b>						
		<b>c</b> Net income or (loss) from sales of inventory . . . . . ▶			NONE			
<b>Miscellaneous Revenue</b>				<b>Business Code</b>				
<b>11a</b>								
	<b>d</b> All other revenue . . . . .							
	<b>e</b> <b>Total.</b> Add lines 11a-11d . . . . . ▶				NONE			
<b>12</b>	<b>Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e . . . . . ▶				-728,882.		-1,699,720.	

**Part IX Statement of Functional Expenses**

**Section 501(c)(3) and 501(c)(4) organizations must complete all columns.**

**All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	NONE			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 . . . . .	111,374.	111,374.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 . . . . .	NONE			
4 Benefits paid to or for members . . . . .	NONE			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	164,677.	39,191.	40,013.	85,473.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	NONE			
7 Other salaries and wages . . . . .	49,293.	11,731.	11,977.	25,585.
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions) . .	NONE			
9 Other employee benefits . . . . .	18,072.	4,301.	4,391.	9,380.
10 Payroll taxes . . . . .	13,021.	3,099.	3,164.	6,758.
11 Fees for services (non-employees):				
a Management . . . . .	NONE			
b Legal . . . . .	5,490.		635.	4,855.
c Accounting . . . . .	53,227.	12,668.	12,934.	27,625.
d Lobbying . . . . .	NONE			
e Professional fundraising services. See Part IV, line 17	NONE			
f Investment management fees . . . . .	142,644.		142,644.	
g Other . . . . .	50,435.			50,435.
12 Advertising and promotion . . . . .	3,440.			3,440.
13 Office expenses . . . . .	54,777.	12,524.	12,787.	29,466.
14 Information technology . . . . .	8,872.	1,932.	2,726.	4,214.
15 Royalties . . . . .	NONE			
16 Occupancy . . . . .	NONE			
17 Travel . . . . .	8,032.	1,946.	2,295.	3,791.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings . . . .	55,994.	11,757.	7,197.	37,040.
20 Interest . . . . .	NONE			
21 Payments to affiliates . . . . .	NONE			
22 Depreciation, depletion, and amortization . . .	NONE			
23 Insurance . . . . .	NONE			
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a CREDIT_CARD_FEES -----	15,689.			15,689.
b DUES,_SUBSCRIPTION,_MEMBERSH -----	935.		935.	
c GRAPHIC_DESIGN -----	1,350.	1,350.		
d WRITE_OFF_PROMISES_TO_GIVE --	356,188.		356,188.	
e MISCELLANEOUS -----	3.		3.	
f All other expenses -----				
25 <b>Total functional expenses.</b> Add lines 1 through 24f	1,113,513.	211,873.	597,889.	303,751.
26 <b>Joint Costs.</b> Check here <input type="checkbox"/> If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation . . . . .				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing . . . . .		<b>1</b>	
	<b>2</b> Savings and temporary cash investments . . . . .	28,083.	<b>2</b>	512,778.
	<b>3</b> Pledges and grants receivable, net . . . . .	7,636,381.	<b>3</b>	7,048,409.
	<b>4</b> Accounts receivable, net . . . . .	24,095.	<b>4</b>	5,940.
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sales or use . . . . .		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges . . . . .	22,011.	<b>9</b>	17,624.
	<b>10a</b> Land, buildings, and equipment: cost basis . . . . .	<b>10a</b> NONE		
	<b>b</b> Less: accumulated depreciation. Complete Part VI of Schedule D. . . . .	<b>10b</b>	<b>10c</b>	NONE
	<b>11</b> Investments - publicly traded securities . . . . .	19,894,651.	<b>11</b>	17,437,980.
	<b>12</b> Investments - other securities. See Part IV, line 11 . . . . .		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 . . . . .	52,527.	<b>15</b>	35,351.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	27,657,748.	<b>16</b>	25,058,082.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	89,287.	<b>17</b>	128,609.
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow account liability. Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable . . . . .		<b>24</b>	
	<b>25</b> Other liabilities. Complete Part X of Schedule D . . . . .	220,455.	<b>25</b>	97,039.
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	309,742.	<b>26</b>	225,648.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	182,677.	<b>27</b>	-46,722.
	<b>28</b> Temporarily restricted net assets . . . . .	1,867,005.	<b>28</b>	2,535,571.
	<b>29</b> Permanently restricted net assets . . . . .	25,298,324.	<b>29</b>	22,343,585.
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
	<b>33</b> Total net assets or fund balances . . . . .	27,348,006.	<b>33</b>	24,832,434.
	<b>34</b> Total liabilities and net assets/fund balances . . . . .	27,657,748.	<b>34</b>	25,058,082.

**Part XI Financial Statements and Reporting**

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .		X
<b>b</b>	Were the organization's financial statements audited by an independent accountant? . . . . .	X	
<b>c</b>	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . . .	X	
<b>3a</b>	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .		X
<b>b</b>	If "Yes," did the organization undergo the required audit or audits? . . . . .		



Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1-3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc.; 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) 72.84%; 15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f 71.61%; 16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization; 16b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization; 17a 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "fact-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization; 17b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization; 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions.

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Table with 7 columns: Calendar year (or fiscal year beginning in), (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support.

Section B. Total Support

Table with 7 columns: Calendar year (or fiscal year beginning in), (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income; 13 Total support.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Description, Line number, Percentage. Rows: 15 Public support percentage for 2008; 16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g.

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, Line number, Percentage. Rows: 17 Investment income percentage for 2008; 18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h.

19a 33 1/3% support tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here.

b 33 1/3% support tests - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here.

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions.

**Part IV** **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

SCHEDULE A, PART II - OTHER INCOME

DESCRIPTION	2004	2005	2006	2007	2008	TOTAL
FUNDRAISING EVENTS	168,325.	30,765.	15,340.	17,535.	39,565.	271,530.
<b>TOTALS</b>	<b>168,325.</b>	<b>30,765.</b>	<b>15,340.</b>	<b>17,535.</b>	<b>39,565.</b>	<b>271,530.</b>

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Name of the organization

Employer identification number

AMERICAN ASSOC OF ORTHODONTISTS FDN

43-6056320

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors... Yes No, 6 Did the organization inform all grantees...

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Form for Part II Conservation Easements. Includes checkboxes for: Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of certified historic structure. Includes table for 'Held at the End of the Year' with rows 2a-2d.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions 1a, 1b, 2, a, b regarding reporting requirements and amounts.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition, b Scholarly research, c Preservation for future generations, d Loan or exchange programs, e Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

Table with 6 columns: (a) Current Year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a Beginning of year balance, b Contributions, c Investment earnings or losses, d Grants or scholarships, e Other expenditures for facilities and programs, f Administrative expenses, g End of year balance.

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment 10.0000%
b Permanent endowment 90.0000%
c Term endowment %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

Table with 2 columns: Yes, No. Rows: 3a(i) unrelated organizations, 3a(ii) related organizations, 3b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

- (i) unrelated organizations
(ii) related organizations
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Table with 5 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Depreciation, (d) Book value. Rows: 1a Land, b Buildings, c Leasehold improvements, d Equipment, e Other.

Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)



**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	-728,882.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,113,513.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-1,842,395.
4	Net unrealized gains (losses) on investments	4	-673,177.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4-8	9	-673,177.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	-2,515,572.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	-1,521,846.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	-673,177.
b	Donated services and use of facilities	2b	22,857.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	-650,320.
3	Subtract line 2e from line 1	3	-871,526.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	142,644.
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	142,644.
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	-728,882.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	993,726.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	22,857.
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	22,857.
3	Subtract line 2e from line 1	3	970,869.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	142,644.
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	142,644.
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	1,113,513.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

INTENDED USE OF ENDOWMENT FUNDS \_\_\_\_\_

SCHEDULE D, PART V \_\_\_\_\_

PERMANENT ENDOWMENT FUNDS ARE USED FOR GRANTS AND AWARDS. BOARD \_\_\_\_\_

DESIGNATED ENDOWMENT FUNDS ARE ALSO USED FOR GRANTS AS WELL AS \_\_\_\_\_

ORGANIZATIONAL OPERATIONS. \_\_\_\_\_





**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events (Add col. (a) through col. (c))
		GOLF EVENT (event type)	NONE (event type)	NONE (total number)	
Revenue	<b>1</b> Gross receipts . . . . .	48,285.			48,285.
	<b>2</b> Less: Charitable contributions . . . . .	8,720.			8,720.
	<b>3</b> Gross revenue (line 1 minus line 2) . . . . .	39,565.			39,565.
Direct Expenses	<b>4</b> Cash prizes . . . . .				
	<b>5</b> Non-cash prizes . . . . .				
	<b>6</b> Rent/facility costs . . . . .				
	<b>7</b> Other direct expenses . . . . .	41,235.			41,235.
	<b>8</b> Direct expense summary. Add lines 4 through 7 in column (d) . . . . .				( 41,235. )
	<b>9</b> Net income summary. Combine lines 3 and 8 in column (d) . . . . .				-1,670.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col. (a) through col. (c))
Revenue	<b>1</b> Gross revenue . . . . .				
Direct Expenses	<b>2</b> Cash prizes . . . . .				
	<b>3</b> Non-cash prizes . . . . .				
	<b>4</b> Rent/facility costs . . . . .				
	<b>5</b> Other direct expenses . . . . .				
	<b>6</b> Volunteer labor . . . . .	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	<b>7</b> Direct expense summary. Add lines 2 through 5 in column (d) . . . . .				( )
	<b>8</b> Net gaming income summary. Combine lines 1 and 7 in column (d) . . . . .				

	Yes	No
<b>9</b> Enter the state(s) in which the organization operates gaming activities: _____		
<b>a</b> Is the organization licensed to operate gaming activities in each of these states? . . . . .	<b>9a</b>	
<b>b</b> If "No," Explain: _____		
<b>10a</b> Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	<b>10a</b>	
<b>b</b> If "Yes," Explain: _____		
<b>11</b> Does the organization operate gaming activities with nonmembers? . . . . .	<b>11</b>	
<b>12</b> Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . .	<b>12</b>	

			Yes	No
<b>13</b>	Indicate the percentage of gaming activity operated in:			
<b>a</b>	The organization's facility . . . . .	<b>13a</b>	%	
<b>b</b>	An outside facility . . . . .	<b>13b</b>	%	
<b>14</b>	Provide the name and address of the person who prepares the organization's gaming/special event books and records:			
	Name ▶ _____			
	Address ▶ _____			
<b>15a</b>	Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . .			
<b>b</b>	If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____.			
<b>c</b>	If "Yes," enter name and address:			
	Name ▶ _____			
	Address ▶ _____			
<b>16</b>	Gaming manager information:			
	Name ▶ _____			
	Gaming manager compensation ▶ \$ _____			
	Description of services provided ▶ _____			
	<input type="checkbox"/> Director/officer <input type="checkbox"/> Employee <input type="checkbox"/> Independent contractor			
<b>17</b>	Mandatory distributions:			
<b>a</b>	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . .			
<b>b</b>	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____			



**Part III Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.  
Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
SCHOLARSHIPS/AWARDS	8	111,374.			

**Part IV Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

GRANT MONITORING PROCEDURES \_\_\_\_\_

SCHEDULE I, PART I, LINE 2 \_\_\_\_\_

ALL APPROVED FUNDING PROPOSALS ARE TO PROVIDE EITHER A PROGRESS REPORT \_\_\_\_\_

( E. G. , BIOMEDICAL RESEARCH AWARD) AND/OR A FINAL REPORT ( E. G. , FELLOWSHIP \_\_\_\_\_

AWARD) AS A CONDITION FOR FUNDING. THESE REPORTS MUST BE APPROVED BY A \_\_\_\_\_

MEMBER OF THE PLANNING AND AWARDS REVIEW COMMITTEE AND THEN THEY ARE \_\_\_\_\_

PLACED ON THE ORGANIZATION' S WEB SITE. IF THE APPROPRIATE REPORT( S) \_\_\_\_\_

IS/ARE NOT PROVIDED, THEN NEITHER THE INDIVIDUAL NOR THAT INDIVIDUAL' S \_\_\_\_\_

INSTITUTION IS ELIGIBLE FOR FUNDING AGAIN UNTIL PROVIDED AND APPROVED. \_\_\_\_\_

( ALL AWARDS REQUIRE A FINAL REPORT, WHILE ONLY CERTAIN AWARDS REQUIRE A \_\_\_\_\_



**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Name of the organization

AMERICAN ASSOC OF ORTHODONTISTS FDN

Employer identification number

43-6056320

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain . . . . .

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? . . . . .

**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- |   |  |
|---|--|
| <input type="checkbox"/> Compensation committee                         | <input type="checkbox"/> Written employment contract                     |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations                | <input type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

- a** Receive a severance payment or change of control payment? . . . . .
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? . . . . .
- c** Participate in, or receive payment from, an equity-based compensation arrangement? . . . . .
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? . . . . .
- b** Any related organization? . . . . .
- If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? . . . . .
- b** Any related organization? . . . . .
- If "Yes" to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III . . . . .

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III . . . . .

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		X
<b>4b</b>		X
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2008

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
ROBERT HAZEL	(i)	128,105.	NONE	NONE	15,372.	11,949.	155,426.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							



**SCHEDULE J-2  
(Form 990)**

**Continuation Sheet for Form 990**

OMB No. 1545-0047

**2008**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

Name of the Organization <b>AMERICAN ASSOC OF ORTHODONTISTS FDN</b>	Employer Identification number <b>43-6056320</b>
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**Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
DR. GUY A. FAVALORO DIRECTOR	1.	X						NONE	NONE	NONE
DR. HARRY L. DOUGHERTY JR. PRESIDENT	4.	X		X				NONE	NONE	NONE
DR. FRED A. GARRETT NAT'L ENDOWMENT CAMPAIGN CHAIR	3.	X						NONE	NONE	NONE
DR. J. ANTHONY QUINN DIRECTOR	3.	X						NONE	NONE	NONE
JAMES H. GALLAGHER DIRECTOR	4.	X						NONE	NONE	NONE
JAMES E. GJERSET NATIONAL PLANNED GIVING CHAIR	2.	X						NONE	NONE	NONE
STEPHEN E. HERSHEY PRESIDENT-ELECT	7.	X		X				NONE	NONE	NONE
JAMES KUNKEMOELLER PUBLIC DIRECTOR #2	2.	X						NONE	NONE	NONE
JAMES E. PASCHAL VANGUARD SOCIETY CHAIR	2.	X						NONE	NONE	NONE
NICHOLAS D. BARONE DIRECTOR	4.	X						NONE	NONE	NONE
LEE W. GRABER AAO SECRETARY-TREASURER	2.	X						NONE	NONE	NONE
WALDEMAR B. SZWAJKOWSKI PUBLIC DIRECTOR #3	2.	X						NONE	NONE	NONE
CHRIS VRANAS SECRETARY-TREASURER EX-OFFICIO	5.	X		X				NONE	NONE	NONE
JEFFREY CAVANAUGH DIRECTOR	6.	X						NONE	NONE	NONE
RICHARD COLLIER PUBLIC DIRECTOR #1	2.	X						NONE	NONE	NONE
TERRY DUNCAN DIRECTOR	2.	X						NONE	NONE	NONE
MICHAEL ROGERS AAO SEC'Y-TREASURER DESIGNATE	1.	X						NONE	NONE	NONE
ROBERT HAZEL EXEC VP	40.			X				128,105.	NONE	27,321.
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**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

▶ **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Name of the organization

AMERICAN ASSOC OF ORTHODONTISTS FDN

Employer identification number

43-6056320

NUMBER OF EMPLOYEES ON FORM W-3

PART V, LINE 2A

AAOF DOES NOT ISSUE W-2S, ALL W-2S ARE ISSUED THROUGH AMERICAN

ASSOCIATION OF ORTHODONTISTS, A RELATED TAX-EXEMPT ORGANIZATION.

Name of the organization

Employer identification number

AMERICAN ASSOC OF ORTHODONTISTS FDN

43-6056320

990 REVIEW PROCESS

PART VI, SECTION A, LINE 10

THE 990 IS REVIEWED BY THE ACCOUNTING MANAGER AND THE DIRECTOR OF FINANCE.

Name of the organization

Employer identification number

AMERICAN ASSOC OF ORTHODONTISTS FDN

43-6056320

CONFLICT OF INTEREST POLICY

PART VI, SECTION B, LINE 12C

A NEW CONFLICT OF INTEREST DISCLOSURE IS REQUIRED TO BE SIGNED ANNUALLY.

THE EXECUTIVE OFFICE MAINTAINS THE COPIES OF THE SIGNED CONFLICT OF

INTEREST STATEMENTS.

Name of the organization

Employer identification number

AMERICAN ASSOC OF ORTHODONTISTS FDN

43-6056320

COMPENSATION DETERMINATION

PART VI, SECTION B, LINES 15A & 15B

AN OUTSIDE FIRM IS USED TO DETERMINE PAY GRADES AND SALARY RANGES.

Name of the organization

Employer identification number

AMERICAN ASSOC OF ORTHODONTISTS FDN

43-6056320

DOCUMENT AVAILABILITY

PART VI, SECTION C, LINE 19

DOCUMENTS, POLICIES AND STATEMENTS ARE FURNISHED UPON WRITTEN REQUEST.

Name of the organization AMERICAN ASSOC OF ORTHODONTISTS FDN	Employer identification number 43-6056320
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## AAOF PROGRAM DESCRIPTIONS

## PART III, LINE 4

FELLOWSHIPS: THE ORTHODONTIC FACULTY DEVELOPMENT FELLOWSHIP AWARD IS

DESIGNED TO ENCOURAGE ORTHODONTIC STUDENTS AND GRADUATES TO PURSUE

CAREERS IN ORTHODONTIC EDUCATION AND SUPPORT THE DEVELOPMENT OF JUNIOR

FACULTY. IT IS FELT THAT THE YOUNG CLINICAL INVESTIGATOR AND BIOMEDICAL

SCIENTIST MUST BE SUPPORTED TO ENCOURAGE AND ENABLE THEM TO DEVELOP THEIR

TEACHING, PATIENT CARE AND RESEARCH ACTIVITIES TO THEIR HIGHEST

POTENTIAL; THIS, IN GREAT MEASURE, WILL ENABLE EXCELLENCE IN ORTHODONTIC

EDUCATION AND PROGRESS FOR THE SPECIALTY. THIS AWARD PROVIDES SUPPORT TO

INDIVIDUALS ENGAGED IN ORTHODONTIC TRAINING LEADING TO A MASTER OF

SCIENCE OR PH. D. DEGREE, AN ORTHODONTIC GRADUATE INVOLVED IN POSTDOCTORAL

RESEARCH PROJECTS AND JUNIOR FACULTY SERVING AS FULL-TIME FACULTY IN AN

ORTHODONTIC DEPARTMENT. FELLOWSHIP AWARDS ARE INTENDED ONLY FOR THOSE

COMMITTED TO A CAREER IN ORTHODONTIC TEACHING AND/OR RESEARCH.

RESEARCH: BIOMEDICAL RESEARCH AWARDS ARE NOW FOCUSED ON HELPING JUNIOR

FACULTY IN THE U. S. AND CANADA DEVELOP INDEPENDENT RESEARCH ACTIVITIES TO

HELP COMPLETE REQUIREMENTS FOR TENURE AND TO PROVIDE PILOT STUDY DATA FOR

OTHER EXTERNAL FUNDING APPLICATIONS (E. G. NIDCR). BIOMEDICAL RESEARCH

AWARDS ARE AVAILABLE TO A.) U. S. AND CANADIAN CITIZENS, B.) FOREIGN

NATIONALS WHO POSSESS A U. S. "GREEN CARD" OR ITS CANADIAN EQUIVALENT, AND

C.) THOSE FOREIGN NATIONALS NOT YET IN POSSESSION OF A U. S. "GREEN CARD"

OR ITS CANADIAN EQUIVALENT, AS LONG AS THE APPLICANT AND THE INSTITUTION

WILL STIPULATE THAT OBTAINING SUCH STATUS IS APPLICANT'S INTENTION AND

WHERE THERE IS DEMONSTRABLE EVIDENCE OF THIS INTENT. AWARDS ARE DESIGNED

FOR THOSE INDIVIDUALS EMPLOYED IN AN ORTHODONTIC DEPARTMENT DURING YEARS

Name of the organization AMERICAN ASSOC OF ORTHODONTISTS FDN	Employer identification number 43-6056320
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3-10 OF THEIR ACADEMIC CAREERS. FURTHERMORE, THE AAOF WILL BE MOST ENTHUSIASTIC FOR THOSE PROPOSALS WHERE THERE IS COLLABORATION WITH MORE SENIOR FACULTY WHO ARE ESTABLISHED INVESTIGATORS. EVIDENCE OF INSTITUTIONAL COMMITMENT TO THE PROJECT (E. G., IN THE FORM OF A LETTER OF SUPPORT FROM AN APPROPRIATE INSTITUTIONAL OFFICAL/OFFICIALS) IS REQUIRED.

COLLECTIONS: LONGITUDINAL ORTHODONTIC RECORDS OF UNTREATED INDIVIDUALS HAVE LONG BEEN AT THE CENTER OF OUR UNDERSTANDING OF NORMAL GROWTH AND DEVELOPMENT OF THE HEAD AND NECK AND FORM THE BASIS OF OUR TREATMENT IN ORTHODONTICS, PROVIDING MATERIAL TO DEVELOP NORMATIVE DATA FOR TREATMENT GOALS. THERE ARE SEVERAL ORTHODONTIC RECORD COLLECTIONS IN EXISTENCE CONTAINING RECORDS THAT HAVE BEEN ACCUMULATED LITERALLY OVER GENERATIONS, AS INDIVIDUALS UNDER STUDY HAVE GROWN, MATURED AND PROCEEDED THROUGH ADULTHOOD. IT IS IMPERATIVE THAT THESE RECORD COLLECTIONS BE PRESERVED IN PERPETUITY FOR EDUCATIONAL PURPOSES, AS WELL AS CONTROLS FOR RESEARCH AND GROWTH STUDIES, NOT ONLY IN ORTHODONTICS BUT ALSO IN OTHER ACADEMIC DISCIPLINES. THESE COLLECTIONS ARE STORED IN VARIOUS LOCATIONS UNDER VARYING CIRCUMSTANCES, AND ALL OF THEM ARE SUBJECT TO DETERIORATION WITH TIME. THE NATURE OF THESE COLLECTIONS IS UNIQUE SINCE THEY MAY NEVER BE DUPLICATED AGAIN. FURTHERMORE, FOR A VARIETY OF REASONS, MANY OF THESE RECORDS ARE DIFFICULT TO ACCESS, AND, CONSEQUENTLY, MUCH OF THIS INFORMATION HAS BEEN LESS THAN OPTIMALLY UTILIZED OVER THE YEARS. THE AAOF IS COMMITTED TO THIS PROJECT, ON A LONG-TERM BASIS, IN THREE STAGES, I. E., STAGE ONE - ESTABLISHMENT OF A WEB SITE CONTAINING 900 LATERAL CEPHALOGRAMS FOR OVER 80 SUBJECTS FROM NINE OF THE TEN COLLECTIONS; STAGE TWO - CREATION OF TRULY REPRESENTATIVE SAMPLE(S) OF THE PARTICIPATING

Name of the organization AMERICAN ASSOC OF ORTHODONTISTS FDN	Employer identification number 43-6056320
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COLLECTIONS; AND STAGE THREE - COMPLETE PRESERVATION OF ALL RECORDS AT  
ALL COLLECTIONS.

ACCESS TO CARE: IN ORDER TO IMPROVE ACCESS TO ORTHODONTIC CARE, THE AAOF  
HAS SET ASIDE A SUM OF \$100,000 TO FUND UP TO FIVE PROPOSALS OF \$20,000  
EACH. THESE PROPOSALS ARE EXPECTED TO ENCOMPASS A WIDE VARIETY OF  
STUDIES SPANNING THE GAMUT FROM ASSESSMENT OF THE PROBLEM TO POTENTIAL  
SOLUTIONS. AREAS OF INTEREST INCLUDE, BUT ARE NOT LIMITED TO,  
ASSESSMENT/DEVELOPMENT OF 1.) CURRENT ORTHODONTIC COVERAGE IN PUBLICALLY  
AND PRIVATELY SUPPORTED DENTAL PROGRAMS (INCLUDING AVAILABILITY, FUNDING  
AMOUNTS, ELIGIBLE PATIENTS/CONDITIONS, UTILIZATION, ACCESSIBILITY,  
PROVIDER DESCRIPTIONS, ETC.), 2.) FACTORS SPECIFICALLY LIMITING ACCESS TO  
ORTHODONTIC CARE OF POTENTIALLY ELIGIBLE PATIENTS, 3.) CURRENT PROVISION  
OF ORTHODONTIC CARE TO UNDERSERVED AND MINORITY PATIENTS (E.G., WHO/WHERE  
ARE THE MAIN PROVIDERS OF THIS CARE, WHAT ARE THEIR CHARACTERISTICS,  
TRAINING, ETC.), 4.) CURRENT ORTHODONTIC TRAINING PROGRAMS IN TERMS OF  
ACCESS TO CARE ISSUES AND INVOLVEMENT IN PROVISION OF SPECIFIC  
ORTHODONTIC HEALTH CARE NEEDS OF MINORITY AND UNDERSERVED CHILDREN, AS  
WELL AS CHILDREN WITH KNOWN ILLNESSES AND/OR DISABILITIES (E.G., CLEFT  
LIP AND PALATE, ETC.), 5.) THE RELATIVE COST EFFECTIVENESS OF CURRENT  
STRATEGIES TO PROVIDE ORTHODONTIC CARE TO UNDERSERVED/MINORITY PATIENTS,  
6.) THE ROLE OF MALOCCLUSION IN ISSUES SPECIFIC TO MINORITY AND  
UNDERSERVED CHILDREN (CARIES, PERIODONTAL, SYSTEMIC, PSYCHOLOGICAL, ETC.)  
AND/OR CHILDREN WITH KNOWN ILLNESSES AND/OR DISABILITIES (E.G., CLEFT LIP  
AND PALATE, ETC.), 7.) POTENTIAL STRATEGIES THAT COULD BE IMPLEMENTED BY  
THE AAO TO IMPROVE ACCESS TO CARE FOR UNDERSERVED/MINORITY PATIENTS, 8.)  
MORE COST-EFFECTIVE MEANS TO PROVIDE ORTHODONTIC CARE TO

Name of the organization AMERICAN ASSOC OF ORTHODONTISTS FDN	Employer identification number 43-6056320
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UNDERSERVED/MINORITY PATIENTS, INCLUDING POTENTIAL USES OF NEW/NOVEL  
 TECHNOLOGIES IN THIS REGARD, 9.) POTENTIAL ADVOCACY PROGRAMS TO IMPROVE  
 ACCESS TO ORTHODONTIC CARE OF UNDERSERVED/MINORITY PATIENTS, 10.)  
 GRADUATE/UNDERGRADUATE COURSES AND TREATMENT EXPERIENCES/TRAINING TO  
 BETTER EQUIP PRACTITIONERS TO PROVIDE ORTHODONTIC CARE FOR MINORITY AND  
 UNDERSERVED CHILDREN.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047

**2008**

**Open to Public  
Inspection**

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**

▶ **See separate instructions.**

**Name of the organization**

AMERICAN ASSOC OF ORTHODONTISTS FDN

**Employer identification number**

43-6056320

**Part I Identification of Disregarded Entities**

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
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**Part II Identification of Related Tax-Exempt Organizations**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
AMERICAN ASSOCIATION OF ORTHODONTISTS 43-0763598 401 N. LINDBERGH ST. LOUIS, MO 63141	PROF ASSOC	MO	501(C)(6)		N/A
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For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2008



**Part V Transactions With Related Organizations**

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV.

	Yes	No
<b>1</b> During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
<b>a</b> Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity . . . . .		X
<b>b</b> Gift, grant, or capital contribution to other organization(s) . . . . .		X
<b>c</b> Gift, grant, or capital contribution from other organization(s) . . . . .	X	
<b>d</b> Loans or loan guarantees to or for other organization(s) . . . . .		X
<b>e</b> Loans or loan guarantees by other organization(s) . . . . .		X
<b>f</b> Sale of assets to other organization(s) . . . . .		X
<b>g</b> Purchase of assets from other organization(s) . . . . .		X
<b>h</b> Exchange of assets . . . . .		X
<b>i</b> Lease of facilities, equipment, or other assets to other organization(s) . . . . .		X
<b>j</b> Lease of facilities, equipment, or other assets from other organization(s) . . . . .	X	
<b>k</b> Performance of services or membership or fundraising solicitations for other organization(s) . . . . .		X
<b>l</b> Performance of services or membership or fundraising solicitations by other organization(s) . . . . .		X
<b>m</b> Sharing of facilities, equipment, mailing lists, or other assets . . . . .	X	
<b>n</b> Sharing of paid employees . . . . .	X	
<b>o</b> Reimbursement paid to other organization for expenses . . . . .	X	
<b>p</b> Reimbursement paid by other organization for expenses . . . . .		X
<b>q</b> Other transfer of cash or property to other organization(s) . . . . .		X
<b>r</b> Other transfer of cash or property from other organization(s) . . . . .		X

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1) AMERICAN ASSOCIATION OF ORTHODONTISTS	C	40,000.
(2) AMERICAN ASSOCIATION OF ORTHODONTISTS	J	12,406.
(3) AMERICAN ASSOCIATION OF ORTHODONTISTS	M	55,553.
(4) AMERICAN ASSOCIATION OF ORTHODONTISTS	O	85,145.
(5)		
(6)		

