

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)

OMB No. 1545-0047

2006

Open to Public Inspection

Form **990**

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 **2006** calendar year, or tax year beginning and ending

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
AARP Foundation
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
601 E Street, NW, Tax Dept.
 City or town, state or country, and ZIP + 4
Washington, DC 20049

D Employer identification number
52-0794300

E Telephone number
(202) 434-3220

F Accounting method: Cash Accrual
 Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website: ▶ **www.aarp.org/foundation**

J Organization type (check only one) ▶ 501(c) (3) ◀ (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶ **N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶ **N/A**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **162,164,848.**

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances			
1 Contributions, gifts, grants, and similar amounts received:			
a Contributions to donor advised funds 1a			
b Direct public support (not included on line 1a) 1b 20,332,751.			
c Indirect public support (not included on line 1a) 1c 19,533,165.			
d Government contributions (grants) (not included on line 1a) 1d 81,469,726.			
e Total (add lines 1a through 1d) (cash \$ 121,270,877. noncash \$ 64,765.) ... 1e 121,335,642.			
2 Program service revenue including government fees and contracts (from Part VII, line 93) 2 233,229.			
3 Membership dues and assessments 3			
4 Interest on savings and temporary cash investments 4 1,574,218.			
5 Dividends and interest from securities 5 1,181,079.			
6 a Gross rents 6a			
b Less: rental expenses 6b			
c Net rental income or (loss). Subtract line 6b from line 6a 6c			
7 Other investment income (describe ▶) 7			
8 a Gross amount from sales of assets other than inventory 8a			
b Less: cost or other basis and sales expenses 8b			
c Gain or (loss) (attach schedule) 8c			
d Net gain or (loss). Combine line 8c, columns (A) and (B) Stmt 1 8d 3,653,193.			
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
a Gross revenue (not including \$ of contributions reported on line 1b) 9a			
b Less: direct expenses other than fundraising expenses 9b			
c Net income or (loss) from special events. Subtract line 9b from line 9a 9c			
10 a Gross sales of inventory, less returns and allowances 10a			
b Less: cost of goods sold 10b			
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a 10c			
11 Other revenue (from Part VII, line 103) 11 -156,142.			
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11 12 127,821,219.			
13 Program services (from line 44, column (B)) 13 98,610,912.			
14 Management and general (from line 44, column (C)) 14 4,086,950.			
15 Fundraising (from line 44, column (D)) 15 15,518,506.			
16 Payments to affiliates (attach schedule) 16			
17 Total expenses. Add lines 16 and 44, column (A) 17 118,216,368.			
18 Excess or (deficit) for the year. Subtract line 17 from line 12 18 9,604,851.			
19 Net assets or fund balances at beginning of year (from line 73, column (A)) 19 54,300,423.			
20 Other changes in net assets or fund balances (attach explanation) See Statement 2 20 5,505,512.			
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20 21 69,410,786.			

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

Section 501(c)(3) corporations required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c)(3) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Type or print	Name of Exempt Organization AARP Foundation	Employer identification number 52-0794300
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 601 E Street, NW, Tax Dept.	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Washington, DC 20049	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **AARP**
Telephone No. ▶ **(202) 434-3220** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a section 501(c)(3) corporation required to file Form 990-T) extension of time until **August 15, 2007**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year **2006** or
▶ tax year beginning _____, and ending _____.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0, noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>			Statement 5	
22b Other grants and allocations (attach schedule) (cash \$ 64,040,391, noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	64,040,391.	64,040,391.		
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A Stmt 4	254,979.	0.	254,979.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	16,480,216.	13,652,560.	637,144.	2,190,512.
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27	2,281,871.	1,861,549.	121,642.	298,680.
29 Payroll taxes	1,103,647.	900,354.	58,833.	144,460.
30 Professional fundraising fees	1,175,889.			1,175,889.
31 Accounting fees	124,226.	9,226.	115,000.	
32 Legal fees	283,567.	277,523.	6,044.	
33 Supplies	741,292.	665,637.	52,213.	23,442.
34 Telephone	569,454.	536,511.	6,774.	26,169.
35 Postage and shipping	3,964,109.	242,608.	19,435.	3,702,066.
36 Occupancy	2,010,400.	1,825,890.	55,716.	128,794.
37 Equipment rental and maintenance				
38 Printing and publications	4,821,494.	1,402,444.	17,710.	3,401,340.
39 Travel	1,335,625.	1,013,804.	36,952.	284,869.
40 Conferences, conventions, and meetings	862,518.	654,331.	3,402.	204,785.
41 Interest	863,145.	632,049.	69,393.	161,703.
42 Depreciation, depletion, etc. (attach schedule)	737,510.	539,992.	59,285.	138,233.
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g See Statement 3	16,566,035.	10,356,043.	2,572,428.	3,637,564.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	118,216,368.	98,610,912.	4,086,950.	15,518,506.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ 171,268. ; (ii) the amount allocated to Program services \$ 37,679. ;

(iii) the amount allocated to Management and general \$ 0. ; and (iv) the amount allocated to Fundraising \$ 133,589.

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ See Statement 10	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.) a See Statement 6 (Grants and allocations \$ 58,119,798.) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	72,437,873.
b See Statement 7 (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	9,350,644.
c See Statement 8 (Grants and allocations \$ 8,000.) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	4,689,640.
d See Statement 9 (Grants and allocations \$ 2,352,827.) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	3,440,236.
e Other program services (attach schedule) See Statement 11 (Grants and allocations \$ 3,559,766.) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	8,692,519.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	98,610,912.

Form 990 (2006)

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	1,174,085.	45	1,022,683.
	46 Savings and temporary cash investments	49,614,072.	46	23,282,224.
	47 a Accounts receivable	47a 1,193,371.		
	b Less: allowance for doubtful accounts	47b	47c	1,193,371.
	48 a Pledges receivable	48a 3,102,850.		
	b Less: allowance for doubtful accounts	48b	48c	3,102,850.
	49 Grants receivable	3,684,622.	49	6,148,781.
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	749,586.	53	794,343.
	54 a Investments - publicly-traded securities Stmt 13 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	17,153,567.	54a	49,843,313.
	b Investments - other securities		54b	
55 a Investments - land, buildings, and equipment: basis Stmt 12	55a			
b Less: accumulated depreciation	55b	55c		
56 Investments - other See Statement 14	5,592,143.	56	6,597,968.	
57 a Land, buildings, and equipment: basis	57a 22,931,128.			
b Less: accumulated depreciation Stmt 15	57b 1,606,976.	57c	21,324,152.	
58 Other assets, including program-related investments (describe ► <u>Prepaid taxes</u>)	3,428.	58	0.	
59 Total assets (must equal line 74). Add lines 45 through 58	107,304,917.	59	113,309,685.	
Liabilities	60 Accounts payable and accrued expenses	22,619,889.	60	11,389,537.
	61 Grants payable		61	403,120.
	62 Deferred revenue	1,825,190.	62	3,060,365.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities	25,000,000.	64a	25,000,000.
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe ► <u>See Statement 16</u>)	3,559,415.	65	4,045,877.
66 Total liabilities. Add lines 60 through 65	53,004,494.	66	43,898,899.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	41,308,138.	67	56,906,303.
	68 Temporarily restricted	12,992,285.	68	12,504,483.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	54,300,423.	73	69,410,786.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	107,304,917.	74	113,309,685.

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	X	
82b	22,189,652.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
85a	N/A		
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85c	Dues, assessments, and similar amounts from members		
85d	Section 162(e) lobbying and political expenditures		
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		
86a	N/A		
86b	Gross receipts, included on line 12, for public use of club facilities		
86b	N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		
87a	N/A		
87b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
87b	N/A		
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
88a			
88 b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	X	
88b			
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0.; section 4912 0.; section 4955 0.		
89a			
89 b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
89b			
89 c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
89c	0.		
89 d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
89d	0.		
89 e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89e			
89 f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89f			
89 g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
89g			
90 a	List the states with which a copy of this return is filed		
90a	See Statement 22		
90 b	Number of employees employed in the pay period that includes March 12, 2006	268	
90b			
91 a	The books are in care of AARP Telephone no. (202) 434-3220 Located at 601 E Street, NW, Washington, DC ZIP + 4 20049		
91a			
91 b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country		X
91b	N/A		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued) Yes No

- c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c
 If "Yes," enter the name of the foreign country N/A
- 92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a Program revenue					72,257.
b Audio visual/pamphlet					
c sales					160,972.
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	1,574,218.	
96 Dividends and interest from securities			14	1,181,079.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	3,653,193.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a Litigation revenue					157,538.
b Change in					
c value-Charitable Gift					
d Annuities					-318,677.
e Miscellaneous income			01	4,997.	
104 Subtotal (add columns (B), (D), and (E))		0.		6,413,487.	72,090.
105 Total (add line 104, columns (B), (D), and (E))					6,485,577.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	See Statement 23

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

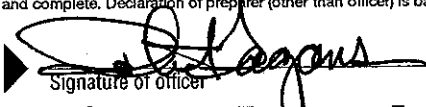
Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

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.

Please Sign Here:  Date: 6/28/2007

Signature of officer: Robert R. Hagans, Jr., CFO

Type or print name and title

Paid Preparer's Use Only: Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN (See Gen. Inst. X), Firm's name (or yours if self-employed), address, and ZIP + 4, EIN, Phone no.

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No. 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **AARP Foundation** Employer identification number **52: 0794300**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Kathleen M. Burch 601 E. St., Washington, DC 20049	Chief Dvlpmt Officer 58.00	183,247.	34,735.	0.
Stuart R. Cohen 601 E. St., Washington, DC 20049	Legal Advocacy Dir 45.00	199,909.	34,663.	715.
James F. Seith 601 E. St., Washington, DC 20049	National Program Dir 43.00	182,629.	32,157.	540.
Susan A. Miler 601 E. St., Washington, DC 20049	Programs Dir. 45.00	194,608.	40,823.	677.
Patricia D. Shannon 601 E. St., Washington, DC 20049	Financial Mgmt Dir. 47.00	167,093.	35,421.	0.
Total number of other employees paid over \$50,000	▶ 190			

Part II A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Adams Hussey & Associates 1400 I Street, NW, Suite 650, Washington, DC 20000	Direct Response Marketing	493,715.
Fleishman Hillard Inc. One ADP Boulevard, Roseland, NJ 07068	Business Consulting Service	291,282.
Georgetown Consulting 12079 Broad Medow Lane, Clarksville, MD 21029-125	Business Consulting Service	280,075.
Center for Workforce Preparation 1615 H St. NW, Washington, DC 20062	SCSEP Employment Consulting Service	196,199.
Sprenger & Lange PLLC 1400 I Street, NW, Suite 500, Washington, DC 20000	Legal Services	150,000.
Total number of others receiving over \$50,000 for professional services	▶ 2	

Part II B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
National Foundation for Credit 801 Roeder Road, Suite 900, Silver Spring, MD 209	Reverse Mortgage Counseling Service	2,300,000.
ADP Inc. One ADP Boulevard, Roseland, NJ 07068	Payroll Processing Service	395,605.
Direct Mail Processors Inc. 1150 Conrad Ct, Hagerstown, MD 21740	Direct Mail Services	303,267.
Merkle Inc. 8400 Corporate Dr., Lanham, MD 20785	Database Marketing Service	272,019.
WF Data Solutions 6148 Windward Drive, Burke, VA 22015	SCSEP IT Services	196,270.
Total number of other contractors receiving over \$50,000 for other services	▶ 10	

Part III Statements About Activities (See page 2 of the instructions.)

Yes No

<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.</p>	1		X
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)</p>			
<p>a Sale, exchange, or leasing of property?</p>	2a		X
<p>b Lending of money or other extension of credit?</p>	2b		X
<p>c Furnishing of goods, services, or facilities?</p>	2c		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Statement 24</p>	2d	X	
<p>e Transfer of any part of its income or assets?</p>	2e		X
<p>3 a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)</p>	3a		X
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b		X
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement</p>	3c		X
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d		X
<p>4 a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g</p>	4a		X
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b		X
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c		X
<p>d Enter the total number of donor advised funds owned at the end of the tax year</p>			0
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year</p>			0.
<p>f Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts</p>			0.
<p>g Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year</p>			0.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **▶**
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					▶

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	125,211,003.	108,623,712.	92,969,096.	60,991,378.	387,795,189.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	357,206.	965,550.	695,741.	1,117,113.	3,135,610.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	1,784,809.	594,655.	280,051.	40,531.	2,700,046.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	127,353,018.	110,183,917.	93,944,888.	62,149,022.	393,630,845.
24 Line 23 minus line 17	126,995,812.	109,218,367.	93,249,147.	61,031,909.	390,495,235.
25 Enter 1% of line 23	1,273,530.	1,101,839.	939,449.	621,490.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 7,809,905.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 601,400,60.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 390,495,235.
d Add: Amounts from column (e) for lines: 18 2,700,046. 19 20 60,140,060. 22					26d 62,840,106.
e Public support (line 26c minus line 26d total)					26e 327,655,129.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 83.9076%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2005) (2004) (2003) (2002)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(2005) (2004) (2003) (2002)					
c Add: Amounts from column (e) for lines: 15 16 17 20 21					27c N/A
d Add: Line 27a total and line 27b total					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 9 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities?	33h	
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended?	34b	
	If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check a if the organization belongs to an affiliated group. Check b if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is -		
	Not over \$500,000 20% of the amount on line 40		
	Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000	41	
	Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 \$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(e))				0.
50	Grassroots lobbying expenditures				0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2006

Name of organization

AARP Foundation

Employer identification number

52-0794300

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	Management and General											
1	Building	102104SL		30.00	16	17,759,493.			17,759,493.	845,418.		705,369.
2	Land	102104L				4,440,000.			4,440,000.			0.
3	Computer equipment	070105SL		3.00	16	4,626.			4,626.	1,035.		1,543.
4	Debt issuance costs	102104		30M	43	517,800.			517,800.	23,013.		17,260.
5	Audio visual equipment	122906SL		5.00	16	4,848.			4,848.			82.
6	Building improvement	040106SL		10.00	16	204,361.			204,361.			13,256.
	* 990 Page 2 Total					22,931,128.		0.	22,931,128.	869,466.	0.	737,510.
	Management and General											
	* Grand Total 990 Page 2 Depr & Amort					22,931,128.		0.	22,931,128.	869,466.	0.	737,510.

628102 07-28-06 (D) - Asset disposed * ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone 19

Form 990	Gain (Loss) From Publicly Traded Securities			Statement	1
Description	Gross Sales Price	Cost or Other Basis	Expense of Sale	Net Gain or (Loss)	
Total Fixed Income	12,187,859.	12,295,331.	0.	-107,472.	
Total Equity	25,627,091.	22,040,161.	0.	3,586,930.	
Total Capital Gain					
Distributions	181,872.	0.	0.	181,872.	
Total Mortgage Backed Securities	0.	5,235.	0.	-5,235.	
Currency Exchange Loss	0.	2,902.	0.	-2,902.	
To Form 990, Part I, line 8	37,996,822.	34,343,629.	0.	3,653,193.	

Form 990	Other Changes in Net Assets or Fund Balances		Statement	2
Description				Amount
Unrealized loss on investments held by AARP Foundation				-1,055,964.
Adjustment for accounting treatment of Pension Plan liability				6,561,476.
Total to Form 990, Part I, line 20				5,505,512.

Form 990	Other Expenses				Statement	3
Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising		
Advertising & promotion	2,048,802.	363,665.	24,357.	1,660,780.		
Bank and investment charges	195,439.	71,328.	68,879.	55,232.		
Consulting and professional services	1,824,782.	842,631.	409,298.	572,853.		
Data processing	874,585.	395,868.		478,717.		
Dues and subscriptions	199,192.	129,913.	54,798.	14,481.		
Insurance	483,699.	276,561.	139,259.	67,879.		
Software licenses	146,498.	99,079.	225.	47,194.		
General office expense	2,299,732.	2,117,074.	180,765.	1,893.		

AARP Foundation

52-0794300

Donations	18,850.		5,250.	13,600.
Personnel and administrative costs	199,211.	175,136.	8,885.	15,190.
Volunteer travel & activities	5,036,160.	5,002,813.	28,609.	4,738.
Research, surveys and tests	480,748.	136,373.		344,375.
Technology services	870,997.	553,225.	978.	316,794.
Miscellaneous	241,276.	192,377.	5,061.	43,838.
Finance shared services	1,646,064.		1,646,064.	
Total to Fm 990, ln 43	<u>16,566,035.</u>	<u>10,356,043.</u>	<u>2,572,428.</u>	<u>3,637,564.</u>

Form 990

Officer Compensation Allocation
Part II, Line 25a

Statement 4

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
Robin Talbert	217,086.	37,060.	833.	254,979.
A. Program Services				
B. Management and General	217,086.	37,060.	833.	254,979.
C. Fundraising				
Total Program Services				
Total Management and General				254,979.
Total Fundraising				
Total Officer, etc., Compensation Included on Part II, Line 25a				<u>254,979.</u>

Form 990

Statement of Program Service Accomplishments

Statement 6

Description of Program Service One

The AARP Senior Community Service Employment Program (SCSEP) is a work-training program to promote useful, part-time opportunities in community service activities for unemployed, low-income persons who are fifty-five years of age or older. AARP SCSEP helps participants gain the skills and paid work experience to transition into permanent, unsubsidized jobs. Once enrolled, they each receive a temporary paid training assignment with a host agency (a non-profit community service organization), job search assistance, and skills training as needed. AARP SCSEP offers enrollees a chance to earn an income, develop new skills, and serve their community while continuing to pursue a permanent job. In the grant year ending 6/30/2006, AARP SCSEP placed 5,639 workers in jobs (a rate of 56% of enrollees), while providing nearly ten million hours of community service in their host agencies, such as public schools, day-care centers, city museums and parks, community/senior centers, literacy programs and hospitals.

To Form 990, Part III, line a

Grants

Expenses

58,119,798.72,437,873.

Description of Program Service Two

AARP Tax-Aide is the nation's largest, free, volunteer-run tax counseling service available to taxpayers with low and moderate incomes, with special attention to those age 60 and older. Between February 1 and April 15, IRS certified volunteers provide one-on-one, confidential tax preparation assistance. In 2006, 32,170 volunteers helped a record 2.03 million taxpayers file their federal, state and local tax returns at 7,422 sites across the country. 2006 was another very successful year for AARP Tax Aide's online services and e-filing. From the comfort of their own homes, every day of the year, taxpayers can ask tax questions online by logging onto AARP's Tax-Aide website. This past year, 4,927 taxpayers received responses from online counselors. In conjunction with the IRS's congressional mandate that 80% of all tax returns be filed electronically by 2007, volunteers handled 875,626 e-filed returns, over 72% of returns completed.

	Grants	Expenses
To Form 990, Part III, line b	<u> </u>	<u>9,350,644.</u>

Form 990

Statement of Program Service Accomplishments

Statement 8

Description of Program Service Three

The AARP Foundation Litigation (AFL) works to protect and preserve the rights of Americans over the age of 50 by representing them in significant court cases and by writing AARP's amicus curiae ("friend of the court") briefs. The legal advocacy focuses on widespread practices or policies of industry, business, or government that are detrimental to older Americans. A representative sample of accomplishments in 2006 include: (1) continued efforts to address the high cost of prescription drugs, (2) helped preserve nursing home protections, and (3) upheld the authority of federal safety net programs.

To Form 990, Part III, line c

Grants	Expenses
8,000.	4,689,640.

Form 990

Statement of Program Service Accomplishments

Statement 9

Description of Program Service Four

The AARP Reverse Mortgage Education Project helps older homeowners make informed decisions about converting the equity in their homes into cash - without having to sell their homes, or make monthly loan repayments. This project provides in-depth, objective consumer information, and promotes high-quality, independent consumer counseling. In the grant year ending 9/30/2006 the program provided direct counseling services to 25,736 households and distributed 158,746 copies of its consumer guide, Home Made Money. The Reverse Mortgage website attracted over 377,510 web visitors. The website includes an interactive online calculator that includes an individually customized comparison of reverse mortgage credit line benefits.

	<u>Grants</u>	<u>Expenses</u>
To Form 990, Part III, line d	<u>2,352,827.</u>	<u>3,440,236.</u>

Form 990	Statement of Organization's Primary Exempt Purpose Part III	Statement 10
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Explanation

The AARP Foundation was established in 1961 and is dedicated to enhancing the quality of life for all as we age. The Foundation leads positive social change and delivers value to those 50 and older with emphasis on those at social and economic risk.

Form 990

Other Program Services

Statement 11

Description of Other Program Services	Grants and Allocations	Expenses
The AARP Money Management Program offers daily money management services, through the use of volunteers, to help older or disabled people who have difficulty budgeting, paying bills and keeping track of their financial matters. In 2006, 5,884 people were served through 121 partner agencies in 24 states and the District of Columbia.	145,000.	639,276.
The AARP Foundation Grandparent Information Center (GIC) is dedicated to ensuring that grandparents and grandchildren have access to resources that strengthen their health, finances and family connections, with a special emphasis on grandparents who provide care for their grandchildren. In 2006, the program provided support to more than 35 AARP state offices, implemented specific programming in eight states and provided information to 3,600 grandparents, their families and the professionals who support them via its Grandparent Information Center and through the AARP contact center.	25,000.	619,450.
Disaster Relief Grants During 2006 the AARP Foundation provided grants totaling \$643,902 to provide disaster relief services - health, housing, legal assistance and more - to older victims of the 2005 Gulf Coast hurricanes. Grants were issued to local organizations providing disaster relief services in Mississippi, Louisiana, Alabama and Texas.	643,902.	645,550.
The AARP National Legal Assistance & Elder Rights Project helps protect the legal rights of older Americans by providing training and technical assistance to lawyers, paralegals, ombudsmen, medical and law enforcement professionals, social service staff, aging advocates, and volunteers who		

provide free advocacy services to older persons. In the grant year ending 9/30/2006 this project conducted more than 38 on-site (in 20 states) and web-based trainings to hundreds of legal services and aging advocates nationwide. This project also publishes a series of elder law training modules on a wide range of legal issues that impact older Americans. Topics include Supplemental Security Income, Social Security Disability, Guardianship, Law Enforcement and Elderly Crime Victims, Elder Abuse, Financial Planning, Health Care Decision-Making and more. The project also issues a national publication, The NLTP Quarterly, that serves all elder advocates with advocacy resources, public benefit updates and legal news; and produces the annual National Aging and Law Conference.

0. 578,802.

The AARP Benefits Outreach Project (BOP) offers assistance to people age 55 or over, with low or moderate incomes, to find out if they are eligible for a number of public and private benefit programs that help pay for prescription drugs, doctor's bills, groceries, heating bills, property taxes and more. One way this program offers assistance is by administering Benefits QuickLINK, a free website developed by the National Council on Aging: www.aarp.org/quicklink. In 2006, thirteen AARP state offices worked with the BOP to help older low and moderate-income individuals, and others (such as caregivers) learn the benefits for which they or their loved ones might be eligible by completing screenings using the website. These state-based programs generated 41,000 screenings and recruited 200 volunteers to help with the screenings. BOP has worked to promote BenefitsCheckUp through AARP's publications (e.g., the Bulletin and on more than 25 pages at www.aarp.org.)

0. 516,628.

The Partners for Independence (PFI) project aims to recruit 1300 boomers to

assist Gulf Coast residents affected by hurricanes Katrina and Rita. Funded in part by a grant from the Corporation for National and Community Service, PFI is a unique partnership between the AARP Foundation, and community groups such as Rebuilding Together and Faith in Action. It is scheduled for implementation through December 2007 at the community level in the regions most affected by the storms. Boomer volunteers are recruited to provide an array of recovery services such as home repair and modification, consumer education, daily living assistance (such as shopping and errands), friendly visits and tax preparation assistance. Prospective volunteers are matched with partner organizations to fulfill the rewarding task of recovery. During the 2006 program year, 971 volunteers provided assistance to 1,155 hurricane survivors.

174,024.

459,039.

The AARP Colorado Elderwatch Project maintains a statewide clearinghouse to help combat fraud and reduce the financial exploitation of older Americans through the collection of data, extensive community outreach and education. The project coordinates efforts with the state's law enforcement offices, adult protection and mental health agencies and organizations assisting older Americans. A toll free hotline is available to provide information and assistance to older Coloradoans, as well as caregivers, law enforcement agencies, prosecutors, adult protection agencies, nursing homes, independent living and assisted living facilities and senior centers. It informs them about door-to-door sales scams, sweepstakes fraud, sophisticated investment and confidence scams and other measures targeted against older Americans. In 2006 Elderwatch Project staff and volunteers made presentations throughout Colorado, handled 2,280 hotline inquiries and substantiated 1,001 instances of financial abuse and exploitation.

0.

290,352.

The AARP West Virginia ElderWatch Project helps older West Virginians navigate the consumer complaint process for the Attorney Generals' Office. Through the programs efforts, 3,287 seniors or 90% of all callers submitted their completed consumer complaint. Prior to this program fewer than 20% of callers submitted their complaint. Volunteers provide this call center service donating over 5500 hours of service in 2006. Volunteers also staff an out-bound call center, phoning almost 35,000 victims or potential victims of financial exploitation. During these calls, the volunteers teach seniors throughout the county to resist scams and other fraudulent offers. In 2006 ElderWatch Project staff and volunteers made numerous presentations throughout the state, training over 3000 consumers.

0. 283,704.

The AARP West Virginia Senior Medicare Information and Error Patrol Project is a consumer education project dedicated to preventing Medicare and Medicaid fraud, error and abuse. Staff and volunteers give presentations to seniors groups, caregivers and concerned citizens about the kinds of fraud that occur and the steps people can take to protect themselves from becoming victims. In 2006, the program reached 25,567 people with the help of 72 volunteers who conducted 96 trainings.

0. 263,073.

The Consumer Fraud Prevention Project engages peer volunteers in making direct telephone contact with older victims, and potential victims of financial frauds and scams. AARP research on fraud victims is used to select the consumers who receive calls. In 2006, the first year of operation, call center volunteers dedicated more than 2,600 hours of their time to serving 45,000 consumers age 50 and above. The volunteers provide conversation, warnings about current scams, referrals and supplemental print materials.

87,223. 263,826.

The AARP Technical Support for Legal Hotlines Project provides national support to organizations that operate or are developing legal hotlines for older or low-income persons. Legal hotlines have emerged as a fast growing delivery system for low-income people and older Americans. Currently there are statewide legal hotlines operating in 26 states, the District of Columbia, and Puerto Rico that serve persons age 60+. In 2006, these hotlines handled approximately 96,640 calls from seniors or their caregivers and closed 59,910 cases. Additionally, during 2006 project staff organized an all day pre-conference legal hotline for the American Bar Association/National Legal and Defender Association Equal Justice Conference (EJC) and a track of other legal services delivery workshops for EJC and the National Aging and Law Conference.

	0.	211,869.
Foundation Grant Programs	2,392,527.	2,392,527.
Volunteer Involvement Program	30,000.	268,811.
Various Other Programs	62,090.	1,259,612.
Total to Form 990, Part III, line e	3,559,766.	8,692,519.

Form 990	Non-Government Securities	Statement 12
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Security Description	Cost/FMV	Corporate Stocks	Corporate Bonds	Other Publicly Traded Securities	Total Non-Gov't Securities
Equities	FMV	32820678.			32820678.
Fixed income	FMV		6,673,537.		6,673,537.
Institutional mutual funds-Asset backed securities portfolio	FMV			130,659.	130,659.
Institutional mutual funds-Emerging markets portfolio	FMV			133,938.	133,938.
Institutional mutual funds-International portfolio	FMV			392,129.	392,129.
Institutional mutual funds-Invest grade corp portfolio	FMV			270,199.	270,199.

AARP Foundation

52-0794300

Institutional mutual funds-Mortgage portfolio	FMV		3,201,938.	3,201,938.
Institutional mutual funds-Municipal bond fund	FMV		72,141.	72,141.
Institutional mutual funds-Real return bond portfolio	FMV		133,903.	133,903.
Institutional mutual funds-US government portfolio	FMV		1,916,206.	1,916,206.
Mortgage-backed securities	FMV		3,602,734.	3,602,734.
To Form 990, line 54a, Col B		32820678.	6,673,537.	9,853,847.
				49348062.

Form 990 Government Securities Statement 13

Description	Cost/FMV	U.S. Government	State and Local Gov't	Total Gov't Securities
US Government obligations	FMV	495,251.		495,251.
Total to Form 990, line 54a, Col B		495,251.		495,251.

Form 990 Other Investments Statement 14

Description	Valuation Method	Amount
Charitable gift annuities investment	Market Value	6,597,968.
Total to Form 990, Part IV, line 56, Column B		6,597,968.

Form 990 Depreciation of Assets Not Held for Investment Statement 15

Description	Cost or Other Basis	Accumulated Depreciation	Book Value
Building	17,759,493.	1,550,787.	16,208,706.
Land	4,440,000.	0.	4,440,000.
Computer equipment	4,626.	2,578.	2,048.
Debt issuance costs	517,800.	40,273.	477,527.
Audio visual equipment	4,848.	82.	4,766.
Building improvement	204,361.	13,256.	191,105.
Total to Form 990, Part IV, In 57	22,931,128.	1,606,976.	21,324,152.

Form 990 Other Liabilities Statement 16

Description	Amount
Charitable gift annuity liability	4,045,877.
Total to Form 990, Part IV, line 65, Column B	4,045,877.

Form 990 Other Revenue Not Included on Form 990 Statement 17

Description	Amount
Amount reported on AARP Institute (EIN 52-0788950) 2006 Form 990	143,040.
Total to Form 990, Part IV-A	143,040.

Form 990 Other Expenses Not Included on Form 990 Statement 18

Description	Amount
Amount reported on AARP Institute (EIN 52-0788950) 2006 Form 990	14,561.
Total to Form 990, Part IV-B	14,561.

Form 990 Part V-A - List of Current Officers, Directors, Trustees and Key Employees Statement 19

Name and Address	Title and Avg Hrs/Wk	Compen- sation	Employee Ben Plan Contrib	Expense Account
Nelda Barnett 601 E St. NW Washington, DC 20049	Chairperson 1.00	0.	0.	0.
A. James Forbes, Jr. 601 E St. NW Washington, DC 20049	Treasurer 1.00	0.	0.	0.
Clarence Pearson 601 E St. NW Washington, DC 20049	Vice-Chairperson 1.00	0.	0.	0.
Joyce Payne 601 E St. NW Washington, DC 20049	Board Member 1.00	0.	0.	0.
Thomas Nelson ** 601 E St. NW Washington, DC 20049	Board Member 1.00	0.	0.	0.
Arthur Ulene 601 E St. NW Washington, DC 20049	Board Member 1.00	0.	0.	0.
William D. Novelli ** 601 E St. NW Washington, DC 20049	Secretary 1.00	0.	0.	0.
Robin Talbert 601 E St. NW Washington, DC 20049	Executive Director 48.00	217,086.	37,060.	833.
Robert R. Hagans, Jr. ** 601 E St. NW Washington, DC 20049	Chief Financial Officer 1.00	0.	0.	0.
George Rowan 601 E St. NW Washington, DC 20049	Board Member 1.00	0.	0.	0.
Fernando Torres-Gil 601 E St. NW Washington, DC 20049	Board Member 1.00	0.	0.	0.
Totals Included on Form 990, Part V-A		217,086.	37,060.	833.

** Employees of AARP.

Form 990

Identification of Related Organizations
Part VI, Line 80b

Statement 20

Name of Organization	Exempt	NonExempt
AARP Inc.	X	
AARP Institute	X	

Form 990

Part V-A Officer Compensation from
Related Organizations

Statement 21

<u>Officer's Name</u>	<u>Compensation</u>	<u>Employee Benefit Plan Contribution</u>	<u>Expense Account</u>
William D. Novelli	1,797,751.	224,978.	19430.
<u>Name of Related Organization</u>		<u>Employer ID Number</u>	
AARP Inc.		95-1985500	
<u>Relationship Between Organizations</u>			
Common control			
<u>Compensation Description</u>			
The individual is paid by AARP Inc., and is reimbursed by AARP Inc. for travel and subsistence costs incurred in carrying out his duties.			

<u>Officer's Name</u>	<u>Compensation</u>	<u>Employee Benefit Plan Contribution</u>	<u>Expense Account</u>
Robert R. Hagans, Jr.	317,644.	45,020.	374.
<u>Name of Related Organization</u>		<u>Employer ID Number</u>	
AARP Inc.		95-1985500	
<u>Relationship Between Organizations</u>			
Common control			
<u>Compensation Description</u>			
The individual is paid by AARP Inc., and is reimbursed by AARP Inc. for travel and subsistence costs incurred in carrying out his duties.			

In 2006, Mr. Novelli received a one-time lump-sum cash payment in the amount of \$1,205,835.67 for the completion of 5 years of service under his non-vested deferred compensation plan. For 2006, the amount allocable to the non-vested deferred compensation plan reported in Column D is \$173,351.

<u>Officer's Name</u>	<u>Compensation</u>	<u>Employee Benefit Plan Contribution</u>	<u>Expense Account</u>
Thomas Nelson	596,057.	56,058.	1,602.
<u>Name of Related Organization</u>		<u>Employer ID Number</u>	
AARP Inc.		95-1985500	

Relationship Between Organizations

Common control

Compensation Description

The individual is paid by AARP Inc., and is reimbursed by AARP Inc. for travel and subsistence costs incurred in carrying out his duties.

<u>Officer's Name</u>	<u>Compensation</u>	<u>Employee Benefit Plan Contribution</u>	<u>Expense Account</u>
Robin Talbert	71,094.	12,137.	273.
<u>Name of Related Organization</u>		<u>Employer ID Number</u>	
AARP Inc.		95-1985500	

Relationship Between Organizations

Common control

Compensation Description

The individual is paid by AARP Inc., and is reimbursed by AARP Inc. for travel and subsistence costs incurred in carrying out her duties for work performed on behalf of AARP.

Schedule A

Explanation of Transactions
Part III, Line 2d

Statement 24

Board members were reimbursed for travel and other expenses incurred in performing their duties. Amounts reimbursed for travel in 2006 were as follows:

Clarence Pearson \$5,495, Nelda Barnett \$142, Joyce Payne \$20, Arthur Ulene \$1,143, and George Rowan \$264.

Name of Noncharitable Exempt Organization

AARP Inc.

Description of Transfers, Transactions, and Sharing Arrangements

On October 24, 2004, AARP Foundation issued 30-year District of Columbia Variable Rate Revenue Bonds Series 2004 in the amount of \$25,000,000 to finance the purchase of office space in the AARP headquarters building. AARP has entered into a Standby Bond Purchase Agreement with the AARP Foundation and the issuer of the Letter of Credit to purchase all bonds in the event the Foundation defaults on the bonds under the terms and conditions of the agreement.

Name of Noncharitable Exempt Organization

AARP Inc.

Description of Transfers, Transactions, and Sharing Arrangements

AARP Inc. advanced \$1,550,000 for direct expenses of the Tax-Aide program, which is expected to be repaid when the program terminates.

Name of Noncharitable Exempt Organization

AARP Inc.

Description of Transfers, Transactions, and Sharing Arrangements

AARP Inc. provided in-kind services and cash contributions to support the Foundation. Such contributions support direct and indirect grant program expenses as well as Foundation operating expenses. The in-kind services were valued at \$7,870,946.

Schedule A

Affiliation with Tax-Exempt Organizations
Part VII, Line 52, Column (c)

Statement 26

Name of Affiliated or Related Organization

AARP Inc.

Description of Relationship with Affiliated or Related Organization

The AARP Foundation was established in 1961 and is dedicated to enhancing the quality of life for all as we age. The Foundation leads positive social change and delivers value to those 50 and older through information with emphasis on those at social and economic risk. The Foundation's Board of Directors are appointed by AARP's Board of Directors upon consultation with the Board of Directors of the AARP Foundation.

Depreciation and Amortization 990
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

AARP Foundation

Form 990 Page 2

Identifying number
52-0794300

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	108,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	430,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2005 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2007. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	720,250.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2006	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2006 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	720,250.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use:								
	:	:	%					
	:	:	%					
	:	:	%					
27 Property used 50% or less in a qualified business use:								
	:	:	%			S/L -		
	:	:	%			S/L -		
	:	:	%			S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
42 Amortization of costs that begins during your 2006 tax year:						
	:	:				
43 Amortization of costs that began before your 2006 tax year					43	17,260.
44 Total. Add amounts in column (f). See the instructions for where to report					44	17,260.