



# Buying Influence

*How the American Legislative Exchange  
Council Uses Corporate-Funded  
“Scholarships” to Send Lawmakers on  
Trips with Corporate Lobbyists*

*State by State: Who Gets Them and Who Pays*

*Report by the Center for Media and Democracy,  
Common Cause & D.B.A. Press*





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**Center for  
Media and  
Democracy**



## Acknowledgments

This special report was written by **Lisa Graves**, the Executive Director of the **Center for Media and Democracy (CMD)**, an investigative watchdog group that publishes **PRwatch.org** and **SourceWatch.org** and that created **ALECexposed.org** in July 2011 after a courageous whistleblower provided CMD with bills secretly voted on by corporate lobbyists and state legislators behind closed doors at meetings of the American Legislative Exchange Council. CMD was joined by **Common Cause** in investigating ALEC, along with an exposé in **The Nation** magazine and the investigative reporting of **Beau Hodai**.

This initiative has grown through the efforts of **People for the American Way**, the **Leadership Conference on Civil and Human Rights**, **Color of Change**, **Progress** affiliates, **labor unions**, **Greenpeace**, countless other watchdog groups and bloggers at **VLTP**, **Daily Kos** and other sites, along with activists helping to expose ALEC. The result has been hundreds of news stories about ALEC.

As a result of innumerable collaborative and individual efforts, more people are aware of ALEC, its agenda, and its corporate-funded operations than ever before.

For this report, data on ALEC “scholarships” were obtained through open records requests and other research by **D.B.A. Press** founder and freelance investigative reporter/CMD contributor **Beau Hodai**; **Brendan Fischer**, CMD’s Staff Counsel; **Nick Surgey**, Staff Counsel of the watchdog group **Common Cause**; and **Caroline Isaacs** of the **American Friends Service Committee-Tucson**.

Assistance for this report was provided by Beau Hodai and CMD’s staff—**Mary Bottari**, **Brendan Fischer**, **Rebekah Wilce**, **Friday Thorn**, **Sara Jerving**, **Harriet Rowan**, **Alex Oberley**, **Sari Williams**, and former staffers **Eric Carlson** and **Max Abbott**, as well as **Common Cause’s Arn Pearson**, Vice President for Policy and Litigation; **Doug Clopp**, Director of Strategic Partnerships; and **Nikki Willoughby**, Director of Public Engagement.

This report builds on early efforts to sound the alarm about ALEC over a decade ago by **People for the American Way** and the **National Education Association**, among others. It is also indebted to earlier coalition work through “ALEC Watch,” which was led by the **Defenders of Wildlife** and the **Natural Resources Defense Council** and produced a work called “Corporate America’s Trojan Horse in the States,” with a detailed survey of state ethics laws in relation to ALEC.

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# Table of Contents

Executive Summary.....	2
Key Findings of this Report .....	3
ALEC’s Corporate Slush Fund by the Numbers.....	4
ALEC “Scholarship” Money Spent.....	5
Introduction.....	7
ALEC’s Funding.....	8
ALEC’s Structure.....	9
ALEC’s Agenda .....	10
ALEC Exposed.....	11
What’s the Deal with ALEC’s “Scholarships”? .....	12
Kept in the Dark.....	12
ALEC’s History of Hiding the Truth .....	12
Now in the Light of Day: A Half-Million Dollars+ Each Year for Legislators’ Travel.....	12
Major Findings.....	13
What ALEC’s Slush Fund Has Bought .....	14
Other Perks Funded by Corporations at ALEC Meetings .....	15
What About State Gift Laws? .....	16
ALEC v. NCSL .....	17
And It’s Tax Deductible?.....	17
Top Ten State Legislation Delegations Receiving ALEC Travel Gifts.....	18
Top Ten Corporate Donors to the ALEC Travel Slush Fund .....	19
Spotlight on Wisconsin .....	20
A Look at Travel Fundraising in Ohio.....	22
What Can Be Done? .....	24
Arizona .....	24
Wisconsin .....	25
Rhode Island: A Different Tack .....	25
Recommendations .....	25
What can you do to help?.....	26
Learn More.....	27
Endnotes .....	28

## Appendices

- Appendix 1 - Summary of ALEC Scholarships
- Appendix 2 - ALEC’s All-Expenses-Paid Vacations
- Appendix 3 - Frequent Funders of ALEC Junkets
- Appendix 4 - All Corporate Donors to ALEC’s “Scholarship” Fund
- Appendix 5 - ALEC’s Frequent Flyers

## Additional Resources

- ALEC Scholarships by State -50 Individual Reports

# Executive Summary

**The American Legislative Exchange Council (ALEC)** has raised and spent an estimated \$4 million in funds from its corporate backers since 2006 to pay for state lawmakers' trips to meet with corporate CEOs and lobbyists at ALEC sponsored events at posh retreats, according to internal ALEC documents and other investigative work.

This special report analyzes information obtained through open records requests from D.B.A. Press, a site featuring original investigative reporting and source materials; the Center for Media and Democracy; and Common Cause—information that ALEC has tried to keep a closely guarded secret.

Although ALEC claims to be a tax-exempt “charity”—a status now under legal challenge by Common Cause and others—it has quietly raised and spent millions from some of the biggest corporations in the world over the past decade to fly state lawmakers around the country to resorts where they are wined and dined by corporate leaders and lobbyists, and treated to exclusive parties at professional baseball games, cigar parties, and skeet shoots, all at ALEC corporations' expense.

**The scheme works like this: ALEC state chairs (hand-picked legislators and private-sector members) solicit corporate money that goes into a “Scholarship Fund” that is then used to pay for lawmakers' trips. Records show that ALEC legislators know who's paying their way—some state leaders even urge lawmakers to send thank-you notes to their patrons—but everyone else is kept in the dark.**

ALEC claims to the IRS that it does not have to report the money spent on elected officials because it is just holding the funds “in trust” for lawmakers. But at the same time, it promises corporate donors that they can get a tax write-off for their donations.

**This influence-buying scheme is illegal in some states, and should be in others.**

“With our success rate at more than 20 percent, I would say that ALEC is a good investment. Nowhere else can you get a return that high.”

Sam Brunelli, then-Executive Director of ALEC <sup>1</sup>

### *Key findings of this report include:*

- ALEC raised \$1,994,815 for its corporate slush fund during 2006-2008, of which \$1,811,905 was spent on lawmakers' trips.
- Based on this, plus incomplete data for 2009-2011, we estimate that ALEC has raised and spent over \$4 million from corporations for lawmakers' trips since 2006.
- The biggest corporate donor to ALEC's slush fund was PhRMA - which kicked in \$356,075 in 2010 alone - followed by AT&T, Bayer, Eli Lilly, UST Public Affairs (tobacco), Pfizer, Crown Cork & Seal, Altria, Verizon, and Blue Cross Blue Shield Association.
- The #1 state for ALEC slush funds was South Carolina, at \$200,565, followed by Georgia, Mississippi, California, Wisconsin, Wyoming, Colorado, Oklahoma, Arizona, and Ohio. 42 states had slush fund activity.
- Some legislators were frequent flyers. At least 20 state legislators received travel worth nearly \$7,000 or more during 2006-2008.
- ALEC slush funds were used to pay for or directly reimburse travel expenses for legislators, including airfare, hotel rooms and meals. But once public officials arrived, ALEC corporations spent untold additional amounts to wine, dine and entertain them. ALEC membership may cost legislators \$50 per year, but they get much more in return from their corporate benefactors.
- At least four states - Massachusetts, Minnesota, Nebraska and Utah - have taken steps to bar legislators from taking travel-related funds from corporate interests via a conduit like ALEC. But at least three other states - Colorado, Indiana and South Carolina - specifically exempt ALEC from state gift or lobbying laws.
- The slush fund's donors, top states, repeat players and state-by-state details can all be found in the report appendices.

Given the inherently unethical and potentially corrupting nature of ALEC's slush fund scheme, we recommend that, at a minimum, existing state gift limits, bans and disclosure rules be applied to ALEC "scholarships" or modified to ensure that they do. In addition, each ALEC slush fund expenditure and donor for all past years should be immediately disclosed to the public.

# ALEC's Corporate Slush Fund by the Numbers

## **Big Spending**

Since 2006, ALEC has raised an estimated **\$4 million** from its corporate members to send lawmakers on trips.

## **Biggest Spender**

The largest known "private sector" donor is **PhRMA**, the trade group for big drug companies, which gave ALEC **\$356,075** for lawmaker trips in 2010.

## **Which State's Lawmakers Take the Most Money**

The state whose legislators received the most ALEC "scholarship" funds in a three-year period: **South Carolina lawmakers received \$200,566.**

## **Over a Half-Million Dollars a Year (2006-2008)**

Corporations have given **\$664,938** a year on average, and the average spent is: **\$603,968.**

## **Scores of Corporations Involved**

**100+** corporations have funded the trips. The biggest are: **PhRMA, AT&T, Bayer, Lilly, UST, Pfizer, Crown Cork & Seal, Altria, Verizon, and Blue Cross/Blue Shield**—some of the world's biggest drug, tobacco, and phone companies.

## **About a Million Bucks in the Bank**

In recent years, ALEC has had about **one million dollars** in the bank at the start and end of each year available for lawmaker travel for meetings with corporate lobbyists at resorts.

## **Hundreds of Lawmakers**

Average number of lawmakers who get corporate-funded travel through ALEC: **more than 300 each year.** Many are frequent flyers. **Over 1,300 checks** from ALEC were cashed in three years alone.

## **A Majority of States Are Involved**

Number of states known to have money paid out from the corporate slush fund in recent years: **42 states out of 50.** Some states, like Minnesota, bar legislators from taking gifts of travel from lobbyists via a conduit like ALEC.



ALEC is “the most influential  
corporate-funded political force most  
of America has never heard of.”

Bill Moyers, “The United States of ALEC” <sup>3</sup>



# Introduction

This special report analyzes new information about how some of the biggest corporations in the world fund trips for state lawmakers to meet with their lobbyists at resorts across the country through the American Legislative Exchange Council (ALEC), a “charity.”

This data, which was secret until discovered in open records responses, shows that corporations seeking to change state laws quietly gave nearly \$2 million for travel by state legislators in a recent three-year period (2006-2008.\* Based on that data, we estimate that ALEC has taken in well over \$4 million from corporations for lawmakers’ trips since 2006. And corporations spent money beyond that on numerous dinners and other perks for lawmakers that were not passed through the travel slush fund ALEC created.

ALEC and its leaders have persistently refused to tell the press which corporations were funding these trips and in what amounts.

This previously hidden information about the sources and extent of these gifts of travel has come to light only through open records requests submitted to state elected officials.

Although ALEC prefers to dub these gifts “scholarships,” this report calls them what they are—gifts—because a trip is a thing of value being given to these elected officials.

ALEC has created a scheme to funnel money from corporations to pay for legislators’ trips, amounting to a million-dollar+ slush fund that leaves constituents in the dark about who is really footing the bills for their representatives.

This report exposes that scheme.

## Included in This Report

### What Is ALEC?

Description of ALEC’s funding, structure, and agenda, plus the efforts to expose ALEC.

### What Can Be Done?

Review of state laws that effectively bar these gifts and current proposals to require more disclosure.

### What’s the Deal with ALEC Scholarships?

Details about how the public was kept in the dark about ALEC’s corporate-funded trips, how the facts were discovered, and what the data reveal. Includes snapshots of how the system operates in Wisconsin and Ohio and provides examples of the kind of things ALEC’s slush fund buys.

### What Can You Do to Help?

Actions that concerned Americans can take to raise greater public awareness about ALEC.

### What’s Happened in Your State?

State-by-state details on where the slush funds came from and who benefited from them.

\*The data used in this report were obtained from the Wisconsin and Ohio Freedom of Information Act (FOIA) responses to requests for records regarding ALEC’s activities. The data were obtained from the Wisconsin and Ohio FOIA responses to requests for records regarding ALEC’s activities. The data were obtained from the Wisconsin and Ohio FOIA responses to requests for records regarding ALEC’s activities.

ALEC is a “far-reaching national network of state legislators that...affects all levels of government. No organization in America today can claim as many valuable assets...that have influence on as many key decision-making centers.”

ALEC History <sup>4</sup>

### ALEC’s Funding

ALEC describes itself as the largest voluntary membership group of state legislators in the country, but CMD’s analysis of ALEC’s funding reveals that over 98 percent of its revenue comes from corporations and sources other than state legislators’ “dues.”

Legislators pay \$50 a year (\$100 per two-year legislative session) to be part of ALEC. In some cases, such as the Iowa House of Representatives, taxpayers pay the dues.

In contrast, corporations pay dues for membership in ALEC at a rate of \$7,000 to \$25,000 per year.

Companies also pay fees of between \$2,500 and \$10,000 to sit on ALEC “task forces,” where corporate lobbyists vote as equals with lawmakers on templates to change state laws in the form of ALEC bills.

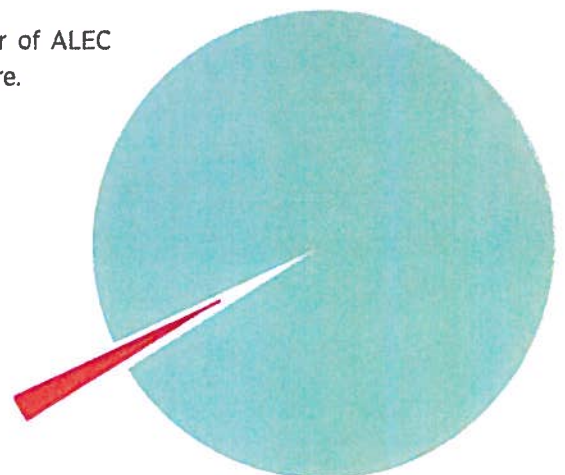
On top of that, corporations kick more money into state “scholarship” funds to cover travel (airfare, hotel, and other expenses) for lawmakers to attend ALEC meetings at resorts where legislators are wined and dined at corporate expense and urged to make items on the corporate wish list into law.

Corporations often pay additional sums to be listed as a sponsor of ALEC meetings. The prices vary but have been as high as \$50,000 or more.

### ALEC Revenue

98% Corporations and other

2% State legislators’ “dues”



## ALEC's Structure

ALEC appoints “public sector” and “private sector” co-chairs in each state (lawmakers and lobbyists) to advance its legislative agenda and raise money for trips. Lobbyists also sit on ALEC task forces where they get “a VOICE and a VOTE” on bills. <sup>5</sup>

ALEC claims it disbanded its “Public Safety and Elections” task force—which approved controversial bills making it harder for Americans to vote and easier to get away with shooting someone—but there is evidence some of its work goes on.

ALEC has a Public Sector Board that consistently endorses bills approved by task forces. It meets jointly with a corporate board, which includes many companies that have governed ALEC for years, while legislative leaders have come and gone.

ALEC's sustaining funders include some of the world's biggest corporations: Exxon Mobil, Altria, AT&T, Koch Industries, State Farm Insurance, Peabody, and GlaxoSmithKline. Their lobbyists also sit on task forces alongside representatives of ideological groups like David Koch's Americans for Prosperity.

ALEC describes itself as a nonpartisan, nonprofit organization, but a review in 2011 showed that 99 percent of its legislative leaders were Republicans (there was one Democrat out of 104 legislators in leadership positions).

## ALEC Task Forces push bills to limit

- » *Rights of people injured by companies*
- » *Rights of workers*
- » *Power to regulate pollution*
- » *Power to tax*
- » *Restrictions on “free” trade*
- » *Public benefits like Social Security*
- » *Rules for schools and the financial, insurance, and telecomm industries*

“Conferences for state legislators and corporate leaders are held approximately four times a year.”

ALEC's Description of the Meetings to the IRS

## ALEC's Agenda

ALEC describes its agenda as advancing the “free market,” but many of its bills redirect Americans' tax dollars away from strengthening the public's institutions to increase the profits of industries that are part of ALEC. Many of the beneficiaries of ALEC laws are out-of-state or foreign companies whose primary interest is not the well-being of the constituents of ALEC legislators.

ALEC also indoctrinates legislators with skewed statistics and distorted analysis<sup>6</sup> in support of the agenda of these special interests.

ALEC's core objective is to change U.S. law,<sup>7</sup> one state at a time—as Bill Moyers noted in his documentary, “The United States of ALEC.”<sup>8</sup>

Countless bills like these have been filed in state legislatures without any disclosure of ALEC's role in them.

ALEC claims it does not lobby<sup>9</sup> but boasts to its members that over 1,000 ALEC bills are introduced a year and about 20 percent become law.<sup>10</sup> ALEC has told companies that funding ALEC gets the highest return on investment.

## ALEC's legislative agenda has included

- » *Making it harder for Americans to vote*
- » *Making it harder for unions to organize*
- » *Stopping needed benefits for workers*
- » *Promoting trade laws that outsource jobs*
- » *Limiting damages for dangerous products*
- » *Blocking efforts to address climate change*
- » *Limiting rules that protect air and water*
- » *Privatizing schools, prisons, and assets*
- » *Detaining more immigrants, for longer*
- » *Opposing Wall Street reforms*
- » *Opposing health insurance reforms*
- » *Stopping limits on bank fees and interest*
- » *Opposing taxes on windfall oil profits*
- » *Opposing limits on machine guns*
- » *Opposing taxes on investment income*
- » *Privatizing Social Security and Medicaid*

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**More than 1,000 ALEC bills are introduced each year; hundreds become law.**

ALEC “operates much like a dating service, only between legislators and special interests. It matches them up, builds relationships, [and] culminates with the birth of special interest legislation...”

Wisconsin Rep. Mark Pocan in *The Progressive*<sup>12</sup>

## ALEC Exposed

Despite concerns raised about ALEC in recent years, the dramatic breakthrough in public awareness of ALEC is due in large part to the work of the Center for Media and Democracy (CMD) and Common Cause. CMD launched its site, [ALECexposed.org](http://ALECexposed.org), in mid-2011 by analyzing and exposing over **850** ALEC bills provided by a whistleblower and also built a growing resource for reporters and advocates to connect the dots between ALEC bills, legislators, corporations, and “experts.”

Common Cause has worked with CMD and many other groups for the past year to continue the investigation into ALEC and push out the ALEC story in the states. In April 2012, Common Cause filed an IRS whistleblower complaint against ALEC based on thousands of pages of additional internal ALEC documents showing extensive lobbying by the tax-exempt group.<sup>11</sup> Others—including Marcus Owens, the former head of the IRS’ nonprofit tax section, and the Voter Legislative Transparency Project—have also urged the IRS to consider holding ALEC and its corporate funders civilly or criminally liable for all the lobbying ALEC facilitates without disclosure.

Other public interest groups like People for the American Way and Progress Now!, along with labor unions affected by ALEC’s agenda, have worked to educate the American people about ALEC. And, Color of Change launched a powerful corporate campaign that has engaged new audiences of citizen activists. Greenpeace and many other groups, bloggers, and concerned citizens have also joined the movement against ALEC’s undue influence.

In the wake of heightened public scrutiny of ALEC, **41** major for-profit corporations have announced that they stopped **funding ALEC—including Wal-Mart, General Electric, General Motors, Amazon, and Coca Cola—along with four** nonprofit groups, including the **Gates Foundation**. Some **70** legislators, both Republicans and Democrats, have publicly dropped ALEC this year as well.



### *Impact of Information*

In the wake of heightened public scrutiny of ALEC, **41** major for-profit corporations and **four** nonprofit groups have stopped funding ALEC, and **70** legislators have publicly dropped ALEC.

# What's the Deal with ALEC "Scholarships"?

## Kept in the Dark

Not only does ALEC enable corporations to secretly vote beside lawmakers on model bills to change state laws, but it also provides a conduit for corporations to buy influence with legislators through gifts of flights, hotel rooms, and other perks and to whitewash these gifts as ALEC scholarships.<sup>13</sup>

ALEC and the lobbyists and lawmakers who participate in this scheme have generally refused to disclose which corporations are paying into ALEC's slush fund for trips. But Americans have a right to know if their elected representatives are being flown to resorts to meet with corporate lobbyists and adopt their bills at corporate expense.

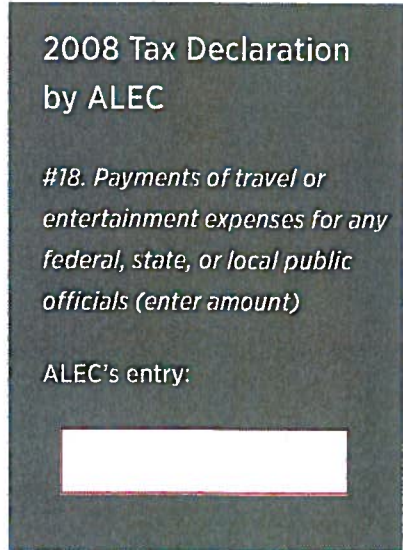
It is only because of partial compliance with state open records laws that the extent of the influence peddling facilitated by ALEC is even partially coming to light. The investigative work of reporters and watchdog and faith-based groups—Beau Hodai, D.B.A. Press founder, freelance investigative reporter, and CMD contributor; CMD Staff Counsel Brendan Fischer; Common Cause Staff Counsel Nick Surgey; and Caroline Isaacs of the American Friends Service Committee-Tucson—unearthed the financial data in this special report.

## ALEC's History of Hiding the Truth

When asked about the slush funds by reporters in the past, ALEC has refused to identify donors, and instead referred them to the group's federal tax returns. Those filings not only did not disclose the identities of corporations funding the travel of elected officials, but also did not disclose the amount of money coming in or being paid out.

ALEC's lack of disclosure of its spending is deeply misleading. Take 2008, for example: If you had examined ALEC's federal tax return for that year looking for the figure the IRS requires nonprofits to disclose if they are paying for the travel for state elected officials you would have found zero, a box of nothing (see image at right)

Elsewhere in its 2008 tax filing, ALEC notes a "liability" with a cash balance of \$1,053,457, described as "Scholarship Funds Held as Agent." ALEC's accounting cloaks from public view the amount of money it took in and spent that year to pay for the "travel or entertainment expenses" of state lawmakers. But, due to our investigation, we now know ALEC spent \$593,653 on legislator travel and which corporations that funded trips in 2008 and other years.



## Now in the Light of Day: A Half-Million Dollars+ Each Year for Legislators' Travel

The data we uncovered provides a thorough snapshot for a recent three-year period, 2006 to 2008. The information we discovered includes the identities of all of the corporate donors to the travel fund and all of the public officials whose trips were paid for in those three years, along with the amounts and dates. We also have partial but illuminating data for 2009 to 2011.

Due to the patchwork of state laws regarding the reporting of gifts or travel reimbursements, there is no way — without this data—for concerned citizens to discover all of the legislators who took scholarship funds and which companies interested in changing state laws helped pay for the trips.

# Major Findings

## *Corporations Funded A Lot of Trips*

The total amount of money companies gave to pay for lawmaker trips and events in a recent three-year period (2006-2008) was nearly \$2 million (\$1,994,815, almost all of which, \$1,811,905, was spent). That averages about \$600,000 a year (\$603,968) spent on travel for public officials. Even with that amount of spending, ALEC still kept about a million-dollar scholarship balance in the bank, counted as a “liability” owed to public officials.

Based on that data, we estimate that ALEC took in well over \$4 million from corporations for lawmakers’ trips since 2006. And corporations spent money on lawmakers beyond that on numerous dinners and other perks, which were not passed through the travel slush fund ALEC created.

Over 100 corporations have funded the trips, including Koch Industries, but PhRMA gave the most: \$356,075 in 2010. Other big funders are AT&T, Bayer, Lilly, UST Public Affairs (tobacco), Pfizer, Crown Cork & Seal, Altria, Verizon, and Blue Cross/Blue Shield Association—some of the world’s biggest drug, tobacco, and phone companies

## *A Lot of Lawmakers Took the Trips*

Hundreds of state legislators have received corporate-funded travel through ALEC: over 300 state legislators per year. It appears that over 1,300 checks were cashed in one three-year period (2006 to 2008) alone.

## *Some Legislators Were Frequent Flyers*

At least 20 state legislators received travel worth nearly \$7,000 or more in that three-year period. They are listed at the end of this report.

## *Some State Delegations Spent Six Figures in Corporate Trip Money*

The state whose lawmakers received the most from the ALEC “scholarship” fund for the three-year period with complete data was South Carolina, whose legislators took \$200,566 in corporate-funded trips and whose legislature has expressly exempted ALEC from the state’s gift limits for lobbyists.

Rounding out the top five were states as diverse as Georgia, \$170,990; Mississippi, \$157,158; California, \$127,200; and Wisconsin, \$116,700. Some of these states may not be the most populous but they were popular with corporations willing to fund lawmakers’ trips.

## *Whose lawmakers raised the most for the fund in one year?*

Ohio raised \$130,000 from corporations in 2011.

**ALEC’s scholarship scheme is calculated  
to keep the public in the dark about  
which corporations are footing the bill  
and how much the bill is.**

## What ALEC's Slush Fund Has Bought

Beyond unparalleled access by lobbyists to lawmakers, what ALEC corporations pay for through the scholarships is airfare for lawmakers, hotel rooms for their families, and other expenses. This is often in addition to other donations to ALEC to underwrite and co-sponsor events, plus whatever fees a corporation pays to join ALEC and vote on task forces with legislators.

The scholarship fund has also been used to buy expensive dinners for legislators at places like posh steakhouse Smith & Wollensky, although meals are sometimes put on a corporate credit card. ALEC members like Russell Smoldon of the Salt River Project, an Arizona public-private utility, know just how valuable such perks are. Smoldon told D.B.A. Press in November 2010:

**“We do a nice job with special events. We just kind of take it on ourselves because I want things to be nice for these guys who make 24,000 dollars a year.”**

For state lawmakers, who nationally earn an average of \$35,000 per year, an all-expense-paid trip to a posh resort where they are wined and dined at lobbyists' expense is a substantial benefit.



### ***Posh Resorts for ALEC Trips***

ALEC has meetings at posh hotels for its big meetings and task force “boot camps” -- like the one held this past January in Florida at the Ritz Carlton on Amelia Island to discuss privatizing public education, a meeting closed to the press.<sup>14</sup> (A list of other ALEC resorts is available at the back of this report, detailing spending by year with images of the locations of ALEC meetings for lobbyists and lawmakers.)



### ***“Endless Sandy Beaches...”***

It is not unusual for ALEC to promote its meetings in vacation-like terms. One invitation encouraged legislators, saying: “come and experience endless sandy beaches, sunny days, beautiful sunsets and the cool gulf breezes.” The meeting was held at a great hotel, near a golf course where ALEC funder Reynolds tobacco paid for a golf clinic and tournament for legislators and lobbyists.



### ***Bring the Whole Family!***

ALEC meetings are described as “networking opportunities,” but lawmakers are encouraged to bring their families. According to ALEC's 2008 & 2009 IRS forms, it spent a combined \$549,230 on childcare, which it calls “Kids Congress” (for kids, six months to 17-years old) and which is offered at a low rate to lawmakers and lobbyists.



### ***But Don't Forget the Legislation***

ALEC meetings are not all dinners and ballgames or skeet shoots sponsored by the National Rifle Association. During the day, lawmakers are urged by private sector ALEC funders like the American Ball Coalition to introduce its bills, and the state legislators on ALEC task forces secretly vote with lobbyists to approve bills to be introduced across the nation.



“ALEC has created a clever scheme with lobbyists—to funnel money from corporations for lawmakers’ meetings—that hides the benefactors and their influence peddling.”

Lisa Graves, Center for Media and Democracy

## What ALEC’s Slush Fund Has Bought

- ➔ Airline tickets for lawmakers
- ➔ Hotel rooms for lawmakers and their families
- ➔ Transportation to and from the hotel
- ➔ Conference fees
- ➔ Meals and drinks

Baseball Game - Spring Task force Summit

***Please join ALEC for a night at the ballpark as the Cincinnati Reds take on the Florida Marlins!***

**When:** Friday, April 29 **Time:** 7:10 p.m. **RSVP to:** [nnguyen@alec.org](mailto:nnguyen@alec.org)

ALEC will have access to the ballpark party decks where select food and drinks will be provided. Space is limited at this special event—sponsored by Time Warner Cable—so be sure to reserve your free ticket now! Registered guests are also invited to attend.

If you have already have tickets to the game, please let us know and we'll get you a ticket to this exclusive area. Tickets can be picked up when you check in at ALEC's registration desk.

***Please join us for a great American pastime!***

Sponsored by



ALEC

## Other Perks Funded by Corporations at ALEC Meetings

- ➔ Exclusive parties at MLB baseball games for lawmakers and their families, food and drink included (Time Warner)
- ➔ All you can smoke cigar parties (Reynolds tobacco)
- ➔ All you can drink wine and cheese parties (Diageo)
- ➔ All you can shoot, skeetshooting outings—guns provided (NRA)
- ➔ Golf lessons and tournament (Reynolds tobacco)
- ➔ Dinners and drinks at the best restaurants in town (Corporate lobbyists from numerous companies)
- ➔ And other entertainment





A handful of states force taxpayers to pick up the tab for public officials to go to ALEC conferences where corporate lobbyists get an equal say in votes on bills. For example, Pennsylvania had \$0 in ALEC scholarships in 2006-2008, but the state's taxpayers paid over \$300,000 over several years for trips and other ALEC events, including \$3,000 on "cheesecake lollipops" for ALEC meetings over the past several years, according to Keystone Progress, an affiliate of ProgressNow!<sup>17</sup>



This approach is equally inappropriate because ALEC's core activity is to provide its private sector members and their lobbyists with a "unique" partnership, in ALEC's words, with lawmakers to change legal policy. Requiring taxpayers to pay the cost of flying legislators around the country to vote behind closed doors with corporate lobbyists about changing state laws adds insult to injury.

## ALEC v. NCSL

Some ALEC members argue that ALEC meetings should be funded by taxpayers because states fund the National Conference of State Legislatures (NCSL). But, unlike ALEC, NCSL does not allow corporate lobbyists to vote with legislators on bills, and its leadership posts alternate between Democrats and Republicans, regardless of ideology. NCSL's objective is to improve governmental functions. In contrast, ALEC has touted its unique mission as giving the private sector an equal voice and vote on changing the government.

## And It's Tax-Deductible?

ALEC wants to have its cake and eat it too. The organization claims that slush fund donations do not have to be reported to the IRS because ALEC just holds them "in trust" for legislators to spend, yet it tells corporate donors they can claim a tax deduction for their gifts.

Hard to believe? In 2009, ALEC told the IRS that:

**"ALEC is the recipient of funds from various outside organizations and individuals which are to be used exclusively for scholarships on behalf of state legislators. Scholarships are payable, upon approval by the relevant state chair, to State Legislators to reimburse them for travel expenses incurred in attending meetings of ALEC. The amounts received and disbursed by ALEC for such purposes are not considered revenue and expenses of ALEC..."**

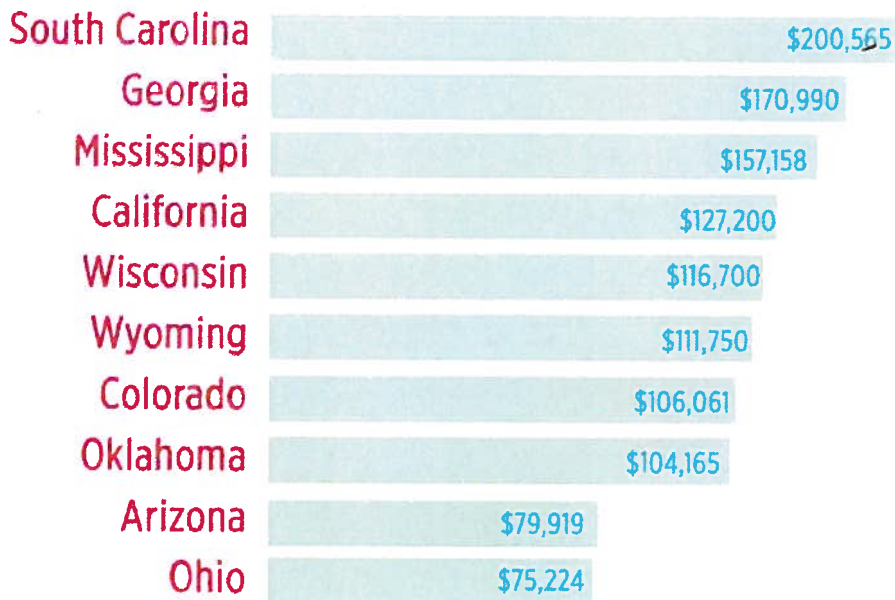
Imagine if a corporate lobbyist simply put a half million dollars in a bank account for lawmakers to use for trips to meet with her company about legislation she wanted passed.

But a letter surfaced earlier this year from ALEC board member and legislative co-chair for Louisiana, Rep. Joseph A. Harrison, offering corporations a tax write-off for ALEC slush fund donations. On government letterhead, he solicited a \$1,000 tax-deductible contribution per company for trips while stating that:

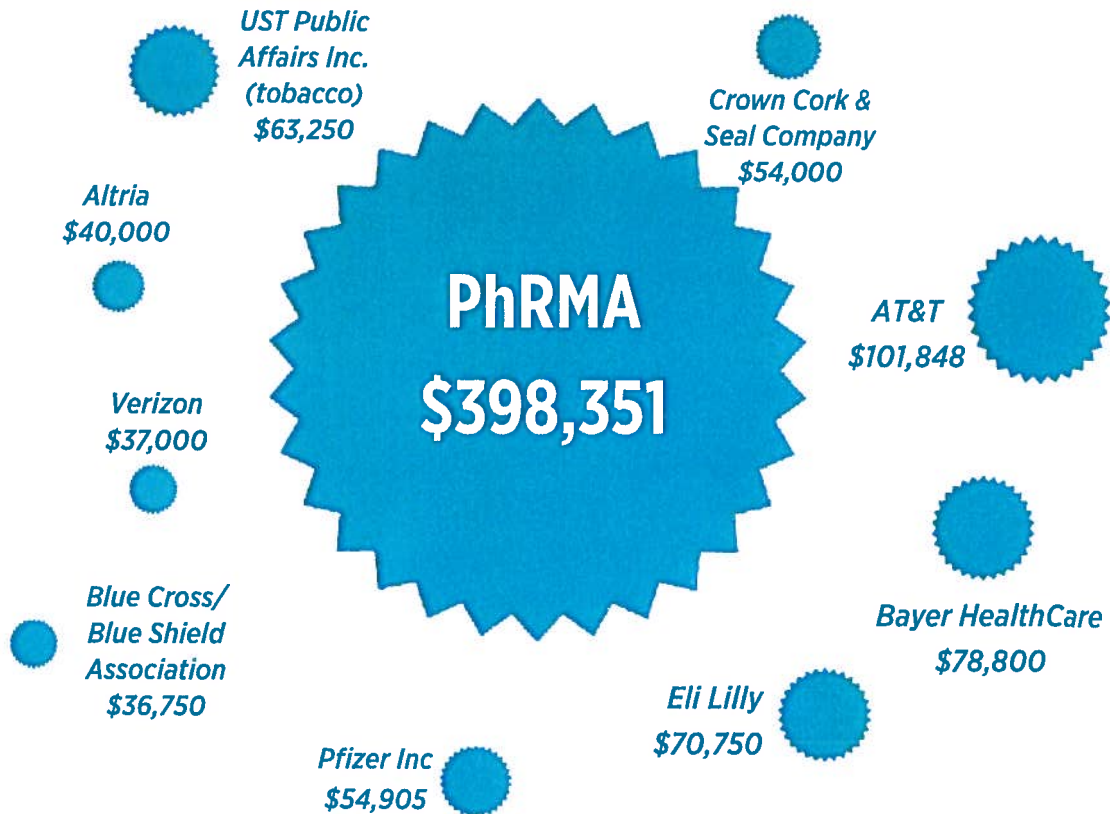
**"With over thirty Louisiana Legislators serving on ALEC Task Forces, your support will allow the opportunity to attend conferences funded by the ALEC Scholarship Fund. These conferences are packed with educational speakers and presenters, and give the legislators a chance to interact with legislators from other states, including forums on Medicaid reform, sub-prime lending, online privacy, environmental education, pharmaceutical litigation, the crisis in state spending, global warming, and financial services and information exchange. All of these issues are import (sic) to the entire lobbying community." (emphasis added)**

Clearly, ALEC leaders think it is appropriate that these gifts both help corporate lobbyists advance their agendas and are subsidized by taxpayers. But, if the slush fund revenue and expenses are not considered ALEC's revenue and expenses by the IRS, then how can ALEC claim that all this corporate money passing through its to fund for lawmakers' travel is tax-deductible?

## Top Ten State Legislatures Receiving ALEC Travel Gifts\*



## Top Ten Corporate Donors to the ALEC Travel Slush Fund\*\*



\*This is for the period with complete data (2006-2008); subsequent big sums have been discovered in Arizona and Ohio.

\*\*The data above reflects corporate donations for the years 2006 - 2008 and 2010, though the 2010 public data reflects money in Arizona, Ohio, and Wisconsin; the data from 2006 to 2008 reflects data from all 50 states.

**“The fact that the corporate money is passed through ALEC, a conduit for the gift, does not isolate the corporations from their status as givers.”**

Minnesota Campaign Finance and Public Disclosure Board

## Spotlight on Wisconsin

Unbeknownst to most state residents, ALEC's bylaws impose a "duty" on the state legislators and corporate reps it designates as state co-chairs both to raise money from companies for trips and get ALEC bills introduced.

### *Big Spending in a State Where a Lobbyist Can't Buy a Lawmaker Coffee*

Before this year, Wisconsin was believed to have one of the strictest gift rules in the nation, a zero tolerance rule dating back decades. But secretly, through ALEC's slush fund, corporations gave \$131,000 to pay for state legislators to attend meetings with corporate lobbyists at resorts from 2006 to 2008. Almost \$117,000 was spent for airfare, hotel rooms, and other expenses of elected officials. Despite the state's "no cup of coffee" gift law, Wisconsin lawmakers were one of the "top five" state delegations in the country in amounts received from the ALEC corporate slush fund for lawmakers' trips.

But that tells only part of the story. When PhRMA gave \$356,075 to ALEC's fund in 2010, it was told by ALEC to send the check to Wisconsin, not to ALEC's headquarters in Washington, DC. The street address was the same as that of ALEC's corporate co-chair for Wisconsin, Amy Boyer, a lobbyist who has represented a number of ALEC funders, such as Koch Industries and other energy companies. When confronted, ALEC said only \$2,500 was for Wisconsin and the remaining \$353,575 was for other states, but there are no public records to verify how that six-figure sum was spent.



**“Myself, I always loved going to [ALEC] meetings because I always found new ideas. Then I’d take them back to Wisconsin, disguise them a little bit, and declare that ‘It’s mine.’” Tommy Thompson (2002)<sup>18</sup>**

### **Citizens Can't Track the Gifts Received**

The situation in Wisconsin also illustrates how difficult it is for concerned citizens to discover these gifts, because they are rarely reported as "gifts."

At the time of PhRMA's big check, the ALEC legislative co-chair for Wisconsin was state Senator Scott Fitzgerald. In response to an open records request by CMD, his office later revealed that at least seven state legislators had received funds from ALEC in 2010 (Reps. Brett Davis, Robin Vos, Scott Suder, Steve Nass, Mike Huebsch, and Phil Montgomery, and Sens. Ted Kanavas, Leah Vukmir, and Randy Hopper). They received between \$985 and \$2,461 for trips filled with meetings with lobbyists. Only two legislators on that list disclosed that they got ALEC travel money on their "Statement of Economic Interests." Some mentioned the ALEC funds in campaign filings. And some, like Sen. Randy Hopper, did not disclose it.

### **Disclosures Hide the Real Sources**

Even where the receipt of money was disclosed, the source was listed as "ALEC," not the companies actually bankrolling the trips. It is only through open records requests, not through legislators' filings, that the sources have been revealed. According to the document ALEC sent by email to Sen. Fitzgerald, the corporations funding Wisconsin legislators' trips in 2010 were PhRMA, Reynolds, Alliant Energy, Kraft Foods, AT&T,<sup>19</sup> Diageo, 3M, Excel Energy, Allergan,

MKT Engineering, T-Mobile, and the state telecomm trade group. All of these corporations have state legislative agendas. Most of them gave \$2,500 a piece to fund trips for legislators.

### **Surprise? ALEC Bills Get Pushed**

When CMD examined Wisconsin's 2011-2012 legislative session, it found at least 32 bills or budget items reflecting ALEC bills were introduced—such as bills to restrict union dues collection, bar suits for death or injury from prescription drugs, aid the tobacco industry, limit telecomm regulations, and restrict "voter ID"—and 21 became law.<sup>20</sup>

### **ALEC's Role Was Hidden from Public**

ALEC did not register as a lobbyist, but open records requests reveal it pushed for its bills to be introduced and passed, out of the sight of the public. For example, Governor Scott Walker—an ALEC alum—denied that his urgent omnibus "tort reform" bill was based on ALEC bills. But previously secret emails show ALEC told lawmakers Walker's proposal included "many" of their bills and urged that it be enacted. The law passed quickly; no one besides ALEC lawmakers and corporations knew at the time of ALEC's true role.



### **Complaints Filed**

CMD filed a complaint with the Government Accountability Board in March 2012 arguing the scholarships violated gift laws. CMD also noted that a prior private ruling of the Board was contradicted by new evidence. That complaint is still pending. CMD and Common Cause also asked the state Attorney General to investigate ALEC lobbying.

# A Look at Travel Fundraising in Ohio

In 2011, corporations gave at least at least \$130,000 for trips to Ohio legislators, the largest travel fund known to have been raised in a single year for just one state.

## *Cozy Relationship between ALEC Lawmakers and Corporate Lobbyists*

ALEC's state legislative co-chair for Ohio is Rep. John Adams, who is tasked like all ALEC state leaders with getting ALEC bills introduced and raising money for ALEC trips. Although open records requests do not reveal all the lawmaker travel that six-figure sum has funded, what is known is that Adams' office spent considerable time coordinating with corporate lobbyists who fund ALEC.

His Senior Legislative Aide, Kara Joseph, spent untold hours arranging for lawmakers to get tickets to a Cincinnati Reds game paid for by Time Warner Cable (TWC), separate from the slush fund. TWC is ALEC's Ohio corporate co-chair.

Ms. Joseph also worked with corporations like Diageo to arrange special dinners when Ohio lawmakers were traveling on corporate-funded scholarships to other cities. They were at restaurants like the steakhouse of gourmet celeb-chef John Besh at Harrah's Casino in New Orleans. (That dinner was paid for by lobbyists separate from the slush fund.)

## *In Return for Helping ALEC, Trips and Awards*

Ms. Joseph was named ALEC's "Volunteer of the Year" in 2011, and she also received money from the slush fund to go on ALEC trips that year. Her emails about fundraising and lobbyist scheduling for ALEC events were conducted on government computers while she was being paid by Ohio taxpayers. Her boss, Rep. Adams, also received top honors from ALEC that year for advancing ALEC's agenda.

The Ohio ethics board—largely controlled by ALEC members—has refused to apply state gift rules to ALEC, despite evidence it should.

CMD, Progress Ohio, Common Cause, and People for the American Way have also issued a detailed report on the influence of ALEC corporations on the Ohio legislature. You can find the report online at [www.alecexposed.org/wiki/Ohio](http://www.alecexposed.org/wiki/Ohio).





### **Lawmakers Know Who Bankrolls Their Trips But Citizens Do Not**

Records analyzed by D.B.A. Press and CMD show that several lawmakers also participated in raising funds from these corporations.<sup>21</sup> Ms. Joseph also sent lawmakers a list of corporations and amounts of their gifts, and asked them to thank the lobbyists for “their generous contribution!”

This example is no outlier by a lawmaker’s staffer. In Arizona—where lawmakers received over \$90,000 in trips secretly underwritten by corporations through ALEC in 2010 alone—open records request revealed that ALEC legislators like Rep. Debbie Lesko eagerly urged colleagues to get thank you notes out to the corporate lobbyists who give to the slush fund.

The American Friends Service Committee (AFSC) in Tucson has urged an investigation of “influence peddling” via the ALEC slush fund. “Any rational person can look at what these corporations are doing through ALEC and on their own and know that essentially for-profit corporations are writing legislation in Arizona,” AFSC’s Caroline Isaacs told D.B.A. Press.

The ones left out of the equation with the influence peddling through ALEC’s slush fund from ALEC companies and their lobbyists are ordinary citizens.



**Ohio Rep. John Adams receives ALEC’s Legislator of the Year Award**



### **Giving Thanks**

Some lawmakers actually urge their colleagues who receive “scholarships” to send thank-you notes to their corporate benefactors.

“The format of the meetings provides the ideal climate for private sector-legislator communication. For four days, ALEC private sector members have the opportunity to share their thoughts and opinions on the crucial public policy issues facing their organizations.” ALEC Advertisement



## Wisconsin

Rep. Mark Pocan's bill in Wisconsin would clarify that "lobbying" includes efforts to influence the development of model legislation, and that contacts between legislative offices and a group that "proposes uniform, model, suggested, or recommended legislation" count.<sup>25</sup> It would also clarify that legislators must disclose on their "statements of economic interests" anything received as a "scholarship."<sup>26</sup>

Pocan's bill also requires that anyone providing anything for "scholarship" purposes to report it to the state accountability board within 90 days, to list the recipients, and to provide the names of any persons who contributed to the scholarship account within the past year. It would also restrict using tax dollars to pay ALEC membership dues.

This bill was referred to the Committee on Assembly Organization on February 23, 2012. No action was taken by that committee, which was chaired by two ALEC members: Reps. Jeff Fitzgerald and Scott Suder. Suder is one of ALEC's co-chairs for Wisconsin.

## Rhode Island: A Different Tack

Although not a legislative initiative, it should be noted that this spring, John Marion, the Executive Director of Common Cause Rhode Island asked the state Ethics Commission to revise state rules in light of the IRS suit filed against ALEC by Common Cause and other information about ALEC that had arisen.

Common Cause urged the state to "require disclosure of gifts from non-interested persons that were received by a public official by virtue of their official position [and] proposed limiting the disclosure requirement to elected officials and gifts over twenty-five dollars."

## Recommendations

To address the inherently unethical and potentially corrupting nature of ALEC scholarships and operations, the solution is simple:

- 1 Existing gift limits or bans should be applied to ALEC travel scholarships or modified to ensure that they do.
- 2 In addition, each ALEC slush fund expenditure and donor for past years should be immediately disclosed.

"ALEC is a corporate lobby masquerading as a public charity."

Common Cause President Bob Edgar

**“Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it’s the only thing that ever has.” Margaret Mead**

## **What can you do to help?**



**Contact the corporate funders of ALEC in your state** and tell them to stop paying for legislators’ trips with lobbyists.



**Contact your representatives** and tell them that you object to ALEC’s corporate slush fund scheme, and demand that gifts of travel be covered under your state’s gift laws.



**Host a screening of Bill Moyer’s documentary about ALEC**, “The United States of ALEC,” in your home or neighborhood. More information is available at [CommonCause.org](http://CommonCause.org) and at [BillMoyers.com](http://BillMoyers.com). You can also view a short cartoon “ALEC Rock” that can be shown to give audiences an overview, available from [ALECexposed.org](http://ALECexposed.org).



**Share news about ALEC on social media**; follow [Facebook.com/CenterforMediaandDemocracy](https://www.facebook.com/CenterforMediaandDemocracy) and [Facebook.com/CommonCause](https://www.facebook.com/CommonCause) and help tweet the facts about ALEC via [#ALECexposed](https://twitter.com/ALECexposed).



**Write letters to the editor of your local paper** alerting your neighbors to the problems with ALEC “scholarships” and the influence peddling ALEC facilitates. You can also ask your paper and TV stations to help expose ALEC more.

## Learn More

In the coming months there is much to do.

The intense scrutiny ALEC has received over the last 15 months, on [ALECexposed.org](http://ALECexposed.org), through the work of Common Cause, and by the reporting of The Nation magazine and Beau Hodai, is unprecedented

At the same time, many state legislatures are in the hands of ALEC lawmakers in leadership positions. As with Ohio and Arizona, those legislators appear unwilling to limit their access to free trips paid for by corporations.

The corporate-funded trips for lawmakers funneled via ALEC will only be addressed when citizens and watchdog groups pursue every legal option available to halt them.

### Additional Resources

More information about ALEC and its operations from the authors of this report is available through CMD's [ALECexposed.org](http://ALECexposed.org), [PRWatch.org](http://PRWatch.org), and [SourceWatch.org](http://SourceWatch.org), as well as [CommonCause.org](http://CommonCause.org) and [DBApress.com](http://DBApress.com). Other good sources of ALEC information include [TheNation.com](http://TheNation.com), [PeoplefortheAmericanWay.org](http://PeoplefortheAmericanWay.org), and [ProgressNow.org](http://ProgressNow.org).

You can also help support [ColorofChange.org](http://ColorofChange.org) and its efforts to run radio ads letting the public know about ALEC corporations and ALEC's agenda.

[ALECexposed.org](http://ALECexposed.org) is a hub that includes lists of ALEC corporations, legislators, "experts," bills, and its agenda, as well as links to state reports and news about ALEC's activities.

Information on complaints against ALEC is available at [CommonCause.org](http://CommonCause.org) and details about viewing the new documentary or getting a copy of the DVD can be found at [TheUnitedStatesofALEC.org](http://TheUnitedStatesofALEC.org).

Additional details are available via Marcus Owens at [capdale.com](http://capdale.com) and from the bloggers at [VLTP.net](http://VLTP.net), which has additional research on a range of ALEC topics.



### *Help Expose ALEC*

You can volunteer to help the ALECexposed campaign from wherever you are.

Contact [Editor@ALECexposed.org](mailto:Editor@ALECexposed.org) or [Grassroots@CommonCause.org](mailto:Grassroots@CommonCause.org).

# Endnotes

1. See American Legislative Exchange Council, "ALEC Scorecard: ALEC Model Bills Set the Terms of the Debate in 1995 Sessions; Record Number of Bills Introduced and Passed Across the Country," FY1 (July 12, 1995) (quoting then-Executive Director of ALEC, Samuel A. Brunelli, encouraging corporations to finance ALEC by bragging that 978 ALEC bills were introduced in state legislatures and 231 of them were adopted as law; as of 2010, ALEC's boasted rate of return was the same: approximately 20%). Some ALEC bills counted by ALEC in 1995 as being introduced or becoming binding law were the following:
  - the "**Prevailing Wage Repeal Act**" to limit states from setting higher prevailing wages;
  - the "**Right to Work Act**" to limit the ability of private sector workers to effectively unionize;
  - the "**Noneconomic Damages Award Act**" to limit the ability of juries to determine how much a corporation whose product injures or kills should pay for pain and suffering;
  - the "**Consistency in Firearms Regulation Act**," to limit the ability of cities to bar or regulate lethal weapons, such as semi-automatic (rapid firing) assault weapons, as well as lethal ammunition, like armor-piercing bullets, if a state does not adopt the same prohibitions;
  - the "**Three Strikes Act**," to require life sentences if a person commits three felonies;
  - the "**Private Correctional Facilities Act**," to help privatize state and local prisons, along with the "Prison Industries Act," to increase the sale of goods and services of prisoners;
  - the "**Charter Schools Act**," to speed the privatization and profitization of public schools
  - several bills to change welfare rules making access to benefits harder for families in poverty;
  - the "**Environmental Audit Privileges Act**," to cloak in secrecy safety violations or environmental hazards discovered by a corporation; and, among others,
  - the "**Capital Gains Tax Elimination Act**."For more information about the ALEC agenda, see details at [www.ALECexposed.org](http://www.ALECexposed.org).
2. Beau Hodai, "Legislative Laundry: investigative report on the mechanics of the ALEC scholarship fund," D.B.A. Press (July 2011), available at <http://dbapress.com/front-page/legislative-laundry-how-alec-funnels-millions-of-dollars-in-corporate-gifts-to-state-lawmakers-for-the-express-purpose-of-promoting-corporate-backed-legislation> \* a portion of this article was published by In These Times, as a sidebar to "Publicopoly Exposed," available at [http://www.inthesetimes.com/article/11603/publicopoly\\_exposed/](http://www.inthesetimes.com/article/11603/publicopoly_exposed/)
3. See Moyers & Company, "United States of ALEC," (aired Sept. 28, 2012), available at <http://billmoyers.com/episode/full-show-united-states-of-alec/>
4. American Legislative Exchange Council, "ALEC History," ALEC website (accessed June 2012), available at <http://www.alec.org/about-alec/history/>
5. [http://www.alecexposed.org/wiki/Decoding\\_ALEC\\_PR](http://www.alecexposed.org/wiki/Decoding_ALEC_PR)
6. ALEC Exposed Source Documents #1, p. 45
7. Eric Havian and Erika Kelton, IRS Whistleblower Letter on ALEC, submitted on behalf of Common Cause (Apr. 20, 2012), available at <http://www.commoncause.org/site/pp.asp?c=dkLNK1MQIwG&b=8060297>
8. Moyers & Company, "United States of ALEC," supra note iv.
9. American Legislative Exchange Council, "ALEC Frequently Asked Questions," (accessed June 2012), available at <http://www.alec.org/about-alec/frequently-asked-questions/>
10. See supra n. 3.
11. Havian and Kelton, "IRS Whistleblower Letter on ALEC," supra note vi.
12. Mark Pocan, "Inside the ALEC Dating Service," The Progressive (October 2011 issue), available at [http://progressive.org/inside\\_alec.html](http://progressive.org/inside_alec.html)
13. Brendan Fischer, "A CMD Special Report: ALEC's "Scholarship" Scheme Helps Corporations Fund Legislator Trips," Center For Media and Democracy's PRwatch.org (May 12, 2012), available at <http://prwatch.org/news/2012/05/11443/cmd-special-re->

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14. Dustin Beilke, "ALEC Education 'Academy' Launches on Island Resort," (Feb. 2, 2012), PRwatch.org, <http://www.prwatch.org/news/2012/02/11272/alec-education-academy-launches-island-resort>
15. Minnesota Campaign Finance & Public Disclosure Board, Advisory Opinion 277 (Oct. 31, 1997), available at <http://www.cfboard.state.mn.us/ao/AO277.pdf>
16. Defenders of Wildlife and Natural Resources Defense Council, "Corporate America's Trojan Horse in the States" (Feb. 28, 2002), available at <http://www.alecwatch.org/report.html>
17. John L. Micek, "Claim: PA Taxpayers Footed \$234K Bill for "Corporate Front Group" That Pushes Legislation," Inside Harrisburg's Capitol Ideas Blog (May 11, 2012), available at [http://blogs.mcall.com/capitol\\_ideas/2012/05/liberal-advocacy-groups-are-stepping-up-their-attacks-on-the-american-legislative-exchange-council-alec-charging-this-wee.html](http://blogs.mcall.com/capitol_ideas/2012/05/liberal-advocacy-groups-are-stepping-up-their-attacks-on-the-american-legislative-exchange-council-alec-charging-this-wee.html)
18. There is no indication in the records available that former Governor Thompson, who helped ALEC while serving in the state legislature in the 1970s and early 1980s, received ALEC scholarships.
19. Wisconsin legislators have long been closely tied to ALEC. Former ALEC public sector co-chair for the state, Rep. Phil Montgomery (R-Green Bay), for example, worked closely with ALEC's corporate leaders and ALEC staff to develop a "pilot media project" to spin local media. See Beau Hodai, "Publicopoly," D.B.A. Press (July 11, 2011), <https://dbapress.com/archives/2040> See also Beau Hodai, "Big Media and State Lawmakers Unite: ALEC fight to keep broadband in private hands," Extra! (May, 2010), available at <http://www.fair.org/index.php?page=4097>
20. Brendan Fischer/Center for Media and Democracy, "ALEC Exposed in Wisconsin: The Hijacking of a State," (May 17, 2012), available at [http://alecexposed.org/w/images/c/cd/ALEC\\_Exposed\\_in\\_Wisconsin.pdf](http://alecexposed.org/w/images/c/cd/ALEC_Exposed_in_Wisconsin.pdf)
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22. John Celock, "ALEC Accountability Act in Arizona, Wisconsin Would Make Conservative Group Disclose Funding," [http://www.huffingtonpost.com/2012/02/10/alec-accountability-act-arizona-wisconsin\\_n\\_1268714.html](http://www.huffingtonpost.com/2012/02/10/alec-accountability-act-arizona-wisconsin_n_1268714.html)
23. Arizona House Bill 2665, available at <http://www.azleg.gov/legtext/50leg/2r/bills/hb2665p.pdf>
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25. Wisconsin Assembly Bill 621, available at <https://docs.legis.wisconsin.gov/2011/proposals/ab621> and [http://www.prwatch.org/files/ALEC\\_accountability.pdf](http://www.prwatch.org/files/ALEC_accountability.pdf)
26. Emily Osborne, "ALEC Accountability Act Introduced in Wisconsin," PRwatch.org (Feb 10, 2012), available at <http://www.prwatch.org/NODE/11269>.

**Additional resources include:**

D.B.A. Press, "ALEC Centralized Source Materials Archive" (published March, 2012), available at <http://dbapress.com/source-materials-archive/alec-centralized-source-materials-directory>

Beau Hodai, "Brownskins and Greenbacks: ALEC, the for-profit prison industry and Arizona's SB 1070," D.B.A. Press. (June 2010), available at <http://dbapress.com/front-page/brownskins-and-greenbacks-alec-the-for-profit-prison-industry-and-arizonas-sb-1070> ' a truncated version of this article was published by In These Times, available at [http://www.inthesetimes.com/article/6084/corporate\\_con\\_game/](http://www.inthesetimes.com/article/6084/corporate_con_game/)

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Lisa Graves and Nick Surgey, "Connecting the Dots between ALEC, Wal-Mart, the NRA, and the Florida Law Cited by Some to Immunize Trayvon Martin's Killer," ALECExposed (Mar. 23, 2012), [http://www.alecexposed.org/wiki/ALEC\\_Castle\\_Doctrine](http://www.alecexposed.org/wiki/ALEC_Castle_Doctrine)



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# Appendix 1: Summary of ALEC "Scholarships"

## National Totals

2011*	\$134,500.00	\$48,204.55
2010*	\$501,215.00**	\$158,821.59
2009*	\$1,000.00	\$53,700.64
2008	\$616,636.70	\$593,653.67
2007	\$609,445.10	\$584,294.64
2006	\$768,732.99	\$633,957.06
	<b>\$2,631,529.79</b>	<b>\$2,072,632.15</b>

	YEAR	CREDIT	DEBIT
<b>Alaska</b>			
	2008	\$500.00	0.00
	2007	0.00	0.00
	2006	0.00	0.00
		<b>\$500.00</b>	<b>0.00</b>
<b>Alabama</b>			
	2008	0.00	0.00
	2007	0.00	\$1,186.04
	2006	0.00	0.00
		<b>0.00</b>	<b>\$1,186.04</b>
<b>Arkansas</b>			
	2008	\$8,200.00	\$9,164.84
	2007	\$6,000.00	\$5,393.16
	2006	\$6,000.00	\$3,838.39
		<b>\$20,200.00</b>	<b>\$18,396.39</b>
<b>Arizona</b>			
	2011	\$4,500.00	\$11,750.00
	2010	\$93,640.00	\$92,294.16
	2009	0.00	\$20,509.10
	2008	\$41,700.00	\$48,914.86
	2007	\$19,500.00	\$27,338.52
	2006	\$11,603.52	\$3,664.20
		<b>\$170,943.52</b>	<b>\$204,470.84</b>
<b>California</b>			
	2008	\$35,497.00	\$45,087.70
	2007	\$22,997.99	\$48,154.98
	2006	\$46,500.00	\$33,956.81
		<b>\$104,994.99</b>	<b>\$127,199.49</b>
<b>Colorado</b>			
	2008	\$14,400.00	\$21,446.84
	2007	\$29,930.86	\$33,225.01
	2006	\$50,200.00	\$51,389.48
		<b>\$94,530.86</b>	<b>\$106,061.33</b>

\*The public data available for 2009 to 2011 reflects money in from four or fewer states; the data from 2006 to 2008 reflects data from all 50 states.

\*\* PhRMA sent \$356,075 to Wisconsin in 2010, earmarked for the "ALEC Scholarship Fund," but ALEC later claimed only \$2,500 was for Wisconsin. The distribution among other states is not known.

## Appendix 1: Summary of ALEC "Scholarships"

### Connecticut

2008	\$22,000.00	\$30,958.41
2007	\$29,000.00	\$13,548.08
2006	\$28,500.00	\$17,191.00
	<b>\$79,500.00</b>	<b>\$61,697.49</b>

### Delaware

2008	0.00	\$676.34
2007	0.00	0.00
2006	\$1,000.00	0.00
	<b>\$1,000.00</b>	<b>\$676.34</b>

### Florida

2008	\$575.00	\$295.25
2007	\$1,500.00	\$4,020.83
2006	\$4,450.00	\$8,662.52
	<b>\$6,525.00</b>	<b>\$12,978.60</b>

### Georgia

2008	\$26,500.00	\$57,890.13
2007	\$44,000.23	\$58,440.46
2006	\$61,000.00	\$54,659.84
	<b>\$131,500.23</b>	<b>\$170,990.43</b>

### Hawaii

2008	0.00	0.00
2007	0.00	0.00
2006	0.00	0.00
	<b>0.00</b>	<b>0.00</b>

### Iowa

2008	\$2,000.00	\$2,434.05
2007	\$1,500.00	\$2,950.05
2006	\$1,500.00	\$0.00
	<b>\$5,000.00</b>	<b>\$5,384.10</b>

### Idaho

2008	\$500.00	0.00
2007	0.00	0.00
2006	\$1,000.00	\$981.17
	<b>\$1,500.00</b>	<b>\$981.17</b>

### Illinois

2008	\$35,831.00	\$17,052.40
2007	\$3,500.00	\$1,188.93
2006	\$16,200.00	\$8,700.29
	<b>\$55,531.00</b>	<b>\$26,941.62</b>

### Indiana

2008	0.00	\$1,539.36
2007	\$1,500.00	\$2,495.11
2006	\$2,000.00	\$805.92
	<b>\$3,500.00</b>	<b>\$4,840.39</b>

### Kansas

2008	\$16,000.00	\$14,185.01
2007	\$14,000.00	\$11,477.74
2006	\$33,050.00	\$12,639.07
	<b>\$63,050.00</b>	<b>\$38,301.82</b>

## Appendix 1: Summary of ALEC "Scholarships"

<b>Kentucky</b>	2008	\$1,000.00	\$3,846.45
	2007	0.00	0.00
	2006	0.00	0.00
		<b>\$1,000.00</b>	<b>\$3,846.45</b>
<b>Louisiana</b>	2008	\$7,500.00	\$4,482.00
	2007	\$4,500.00	\$4,766.25
	2006	\$16,200.00	\$9,953.97
		<b>\$28,200.00</b>	<b>\$19,202.22</b>
<b>Massachusetts</b>	2008	0.00	0.00
	2007	0.00	0.00
	2006	0.00	0.00
		<b>0.00</b>	<b>0.00</b>
<b>Maryland</b>	2008	\$4,000.00	\$3,535.01
	2007	\$2,400.00	\$4,184.56
	2006	\$2,000.00	\$1,731.83
		<b>\$8,400.00</b>	<b>\$9,451.40</b>
<b>Maine</b>	2008	\$8,500.00	\$8,723.55
	2007	\$17,750.00	\$15,378.85
	2006	0.00	\$2,351.25
		<b>\$26,250.00</b>	<b>\$26,453.65</b>
<b>Michigan</b>	2008	\$14,000.00	\$10,481.25
	2007	\$6,000.00	\$7,338.76
	2006	\$6,000.00	\$943.23
		<b>\$26,000.00</b>	<b>\$18,763.24</b>
<b>Minnesota</b>	2008	0.00	0.00
	2007	0.00	0.00
	2006	\$743.90	0.00
		<b>\$743.90</b>	<b>0.00</b>
<b>Missouri</b>	2008	\$6,150.00	\$8,403.08
	2007	\$12,228.20	\$10,487.36
	2006	\$11,850.00	\$12,747.33
		<b>\$30,228.20</b>	<b>\$31,637.77</b>
<b>Mississippi</b>	2008	\$66,716.76	\$52,293.36
	2007	\$69,330.81	\$36,303.43
	2006	\$81,476.12	\$68,561.64
		<b>\$217,523.69</b>	<b>\$157,158.43</b>
<b>Montana</b>	2008	\$2,500.00	\$14,514.41
	2007	\$5,000.00	\$18,906.13
	2006	\$14,500.00	\$2,007.17
		<b>\$22,000.00</b>	<b>\$35,427.71</b>

## Appendix 1: Summary of ALEC "Scholarships"

### North Carolina

2008	\$2,500.00	\$3,791.97
2007	\$1,000.00	\$10,344.44
2006	\$1,842.08	\$13,810.56
	<b>\$5,342.08</b>	<b>\$27,946.97</b>

### North Dakota

2008	\$7,500.00	\$10,865.22
2007	\$11,200.00	\$4,646.08
2006	\$7,000.00	\$6,493.03
	<b>\$25,700.00</b>	<b>\$22,004.33</b>

### Nebraska

2008	\$2,250.00	\$8,684.32
2007	\$42,305.81	\$10,978.51
2006	\$6,000.00	\$7,550.92
	<b>\$50,555.81</b>	<b>\$27,213.75</b>

### New Hampshire

2008	\$9,425.00	\$3,979.27
2007	\$3,600.00	\$869.00
2006	\$6,000.00	\$9,364.68
	<b>\$19,025.00</b>	<b>\$14,212.95</b>

### New Jersey

2008	0.00	0.00
2007	0.00	0.00
2006	0.00	0.00
	<b>0.00</b>	<b>0.00</b>

### New Mexico

2008	\$3,500.00	\$7,956.77
2007	\$8,000.00	\$3,897.59
2006	\$4,000.00	\$2,014.72
	<b>\$15,500.00</b>	<b>\$13,869.08</b>

### Nevada

2008	\$2,500.00	\$2,120.59
2007	\$1,000.00	\$2,457.38
2006	0.00	\$1,500.00
	<b>\$3,500.00</b>	<b>\$6,077.97</b>

### New York

2008	0.00	0.00
2007	0.00	0.00
2006	0.00	\$2,978.36
	<b>0.00</b>	<b>\$2,978.36</b>

### Ohio

2011	\$130,000.00	\$36,454.55
2010	\$23,800.00	\$48,563.62
2009	\$1,000.00	\$23,145.01
2008	\$30,000.00	\$18,189.69
2007	\$38,550.00	\$14,900.90
2006	\$34,650.00	\$42,133.31
	<b>\$257,000.00</b>	<b>\$183,387.08</b>

## Appendix 1: Summary of ALEC "Scholarships"

### Vermont

2008	0.00	\$1,798.48
2007	0.00	\$4,839.35
2006	\$2,250.00	\$3,455.93
	<b>\$2,250.00</b>	<b>\$10,093.76</b>

### Washington

2008	\$10,875.00	\$9,762.26
2007	\$8,200.00	\$15,460.05
2006	\$19,100.00	\$10,303.53
	<b>\$38,175.00</b>	<b>\$35,525.84</b>

### Wisconsin

2010	\$30,200.00	\$17,963.81
2009	0.00	\$10,046.53
2008	\$48,000.00	\$39,193.57
2007	\$33,000.00	\$33,428.21
2006	\$50,000.00	\$44,078.05
	<b>\$161,200.00</b>	<b>\$144,710.17</b>

### West Virginia

2008	0.00	\$1,785.83
2007	\$1,500.00	0.00
2006	\$2,000.00	0.00
	<b>\$3,500.00</b>	<b>\$1,785.83</b>

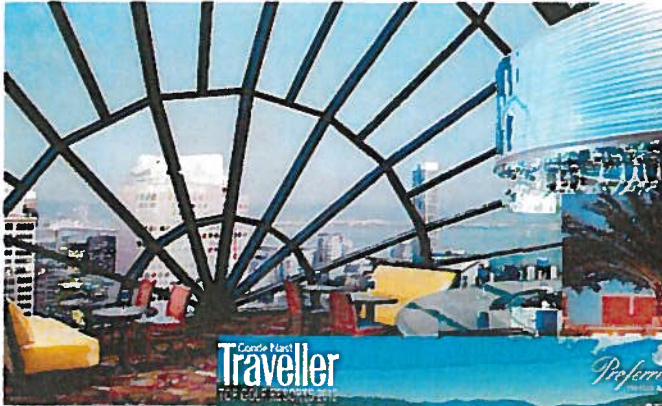
### Wyoming

2008	\$51,011.94	\$42,109.06
2007	\$46,682.70	\$39,110.84
2006	\$37,609.08	\$30,530.67
	<b>\$135,303.72</b>	<b>\$111,750.57</b>

## Appendix 2: ALEC's All-Expenses Paid Vacations

### 2006

ALEC corporations gave \$768,733 to fund legislator travel to resorts held at the three hotels below. In that calendar year, \$634,791 was spent to pay for the airfare, hotel, and other travel expenses of state legislators and others.



Coeur D'Alene Resort, Spring Meeting

San Francisco Marriott Marquis, Summer Meeting

JW Marriott Phoenix Desert Ridge Resort & Spa, Winter Meeting

### 2007

In 2007, ALEC corporations gave \$609,445 to fund travel by legislators to Hilton Head, Philadelphia, and Washington, DC. In all, more than a half million dollars, \$587,461, was spent paying for airfare, hotel rooms, and other travel expenses for state legislators and others to attend events at the resorts below or other locations.



Hilton Head Marriott Resort & Spa, Spring Meeting

Philadelphia Marriott on Market, Summer Meeting

Marriott Wardman Park in DC, Winter Meeting

## Appendix 2: ALEC's All-Expenses Paid Vacations

### 2008

ALEC corporations gave \$616,636 to fly state legislators to ALEC meetings at resorts like the Arlington Resort & Spa in Hot Springs, Arkansas. Nearly all of that money, \$593,654, was spent to cover airfare for legislators and hotel rooms for lawmakers and their families.

Arlington Resort & Spa, Hot Springs, Spring Meeting  
Sheraton Chicago Hotel & Towers, Summer Meeting  
Marriott Wardman Park in DC, Winter Meeting



### 2009

The amount of money given by corporations to ALEC's slush fund or spent for travel by legislators in 2009 is not known. At least \$41,000 was spent for the travel and expenses of Arizona legislators alone. Based on the average of the preceding three years, we estimated that at least \$600,000 was spent; the actual figure remains hidden from the public.

Memphis Marriott Downtown, Spring Meeting  
Hyatt Regency Atlanta, Summer Meeting  
Grand Hyatt Washington, DC, Winter Meeting

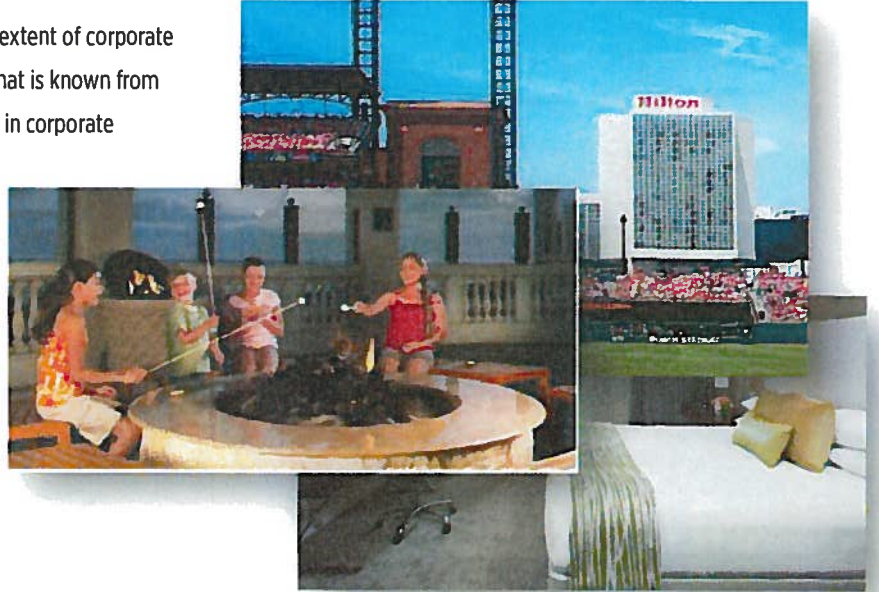


## Appendix 2: ALEC's All-Expenses Paid Vacations

### 2010

Incomplete public data is available to reveal the true extent of corporate funding of ALEC trips for state legislators in 2010. What is known from ALEC's federal tax filing is that it had a million dollars in corporate donations to give to legislators for travel at the beginning of the year: \$1,042,629. Based on incomplete data from records requests, ALEC received at least \$501,215 from corporations, including a check for \$356,075 from PhRMA alone. At least \$90,413 was spent just on Arizona lawmakers. Total corporate funding and slush fund spending figures remain hidden from the public.

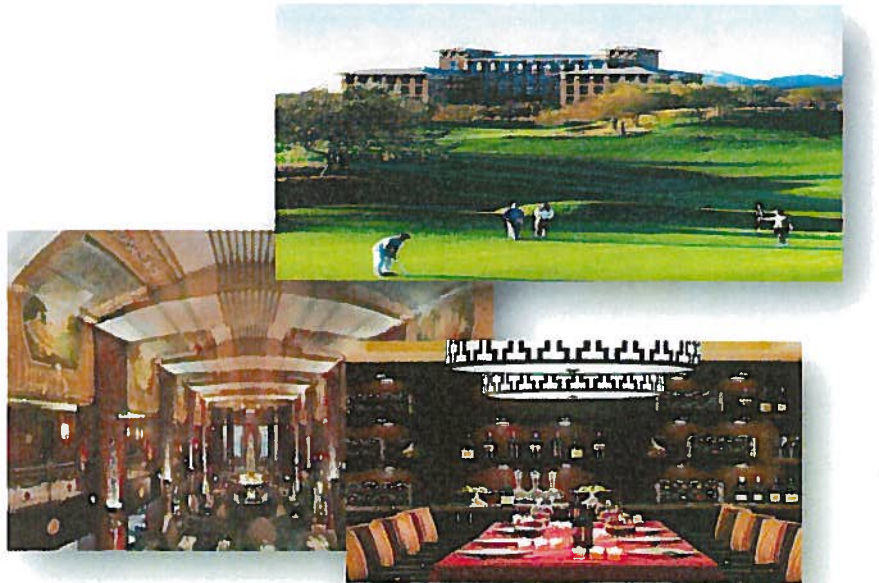
Hilton at the Ballpark, St. Louis, Spring Meeting  
Manchester Grand Hyatt San Diego, Summer Meeting  
Grand Hyatt Washington, DC, Winter Meeting



### 2011

According to ALEC's tax filing, it began 2011 with \$1,023,726 from corporate checks available to spend on travel for lawmaker trips. There is incomplete data to reveal the total amount received that year from corporations, but at least \$144,500 was definitely received. Based on prior years with complete data, it is estimated that ALEC spent around \$600,000 paying travel expenses for state legislators, although the amount may be much higher because it added 500 new members after the 2010 mid-term elections.

Hilton Cincinnati Netherland Plaza, Spring Meeting  
Marriott New Orleans, Summer Meeting  
Westin Kierland Resort, Arizona, Winter Meeting





## Appendix 2: ALEC's All-Expenses Paid Vacations

### 2012

Almost no data is available on the amount of money corporations have given to ALEC in 2012 or that has been spent funding trips for ALEC legislators. What is known is that ALEC has lost at least 41 major corporations as funders since ALEC's extreme agenda came under increased scrutiny. This spring Georgia Rep. Calvin Hill's staffer told ALEC legislators planning to travel to Salt Lake City for the summer gathering of lobbyists and lawmakers that, "Due to reduced participation by our private sector with our Georgia Scholarship Fund, we cannot commit to reimburse any specific amount for your attendance. . . ."

But for the defection of an unknown number of corporate donors, an estimated \$600,000 would be anticipated to be spent on flights and hotel rooms for legislators from across the country. ALEC's winter "States and Nation" meeting will be held in Washington, DC, after the presidential election and will be at the Grand Hyatt.

Westin Charlotte, North Carolina, Spring Meeting  
Grand America, Salt Lake City, Summer Meeting



## Appendix 3: Frequent Funders of ALEC Junkets

More than 100 corporations have given to ALEC's slush fund for legislators' travel in recent years. The top donors for the three-year period (2006-2008) with the most complete data available are below, in alphabetical order:

Altria	Eli Lilly	Reynolds America/RJ
AT&T	Michelin North America	Reynolds
Bayer HealthCare	Northrop Grumman	Sprint Nextel
BellSouth	Novartis Corporation	State Farm
Blue Cross Blue Shield	Peabody Energy/Peabody	United Parcel Service
Association	Investments Corp.	UST Public Affairs Inc.
BP Corporation	Pfizer	Verizon
Crown Cork & Seal Company	PhRMA	

*Blue Cross Blue Shield announced earlier this year that it was no longer funding ALEC.*

Here are profiles of ALEC's biggest junket funders, including an overview of how their corporate interests are advanced by ALEC bills.



PhRMA, the largest trade group of drug manufacturers, gave **\$42,276.87** between 2006 and 2008, and an **additional \$356,075** in 2010 to fund lawmakers' travel. The amounts it gave in 2009, 2011 and to date in 2012 are not known.

PhRMA, which stands for "Pharmaceutical Research and Manufacturers of America," has long had a seat on ALEC's corporate board, known as its "Private Enterprise Board." Its representative is Jeff Bond, Senior Vice President.

PhRMA is also on the Executive Committee of ALEC's "Health and Human Services Task Force," represented by Jeff Buel and Kristin Parde, according to information discovered by Common Cause. Parde received a Private Sector Member of the Year Award from ALEC in 2011. In addition to funding trips for state lawmakers, PhRMA was a "Chairman"-level sponsor of ALEC's 2011 summer meeting in New Orleans (a level of sponsorship that cost \$50,000 in 2010). It also sponsored a plenary luncheon at that conference where its CEO John J. Castellani spoke.

PhRMA is one of the largest and most influential lobbying organizations in the nation. Representing 48 pharmaceutical companies, PhRMA has several registered lobbyists on staff and contracts with PR firms to promote its members' interests. PhRMA has a record of hiding its lobbying and PR activities, often by paying other organizations with names like the "United Seniors Association" (USA) or the "Consumer Alliance" to advocate industry-friendly policies. PhRMA reported spending \$18,910,000 on lobbying in 2011.

A number of ALEC bills come from PhRMA's legislative wish list, including bills that would limit the liability of pharmaceutical manufacturers if their drugs kill or injure Americans. Another ALEC proposal supports voluntary compliance versus mandatory laws for drug companies (the "Resolution In Support of the PhRMA Code and Corporate Self Regulation.").

## Appendix 3: Frequent Funders of ALEC Junkets



**AT&T**, the world's largest communications company, gave **\$97,848** to fund trips for ALEC lawmakers between 2006 and 2008. The total amount of funding AT&T has provided ALEC is unknown.

AT&T has a seat on ALEC's corporate board, represented by William Leahy, Vice President of State and Legislative Affairs.

Mississippi and Texas.

AT&T also serves as the private-sector ALEC Co-Chair for the states of Arkansas, California, Connecticut, Louisiana,

The company has 242,380 employees worldwide as of August 2012 and reported annual sales of \$114.8 billion in 2011. AT&T operates in 60 countries and 850 cities worldwide. AT&T services more than 68 million phone lines and it is the largest wireless carrier in the U.S. Its chairman and CEO is Randall Stephenson.

Numerous ALEC bills attempt to deregulate telecommunications, a high priority for AT&T.



**Bayer Health Care** gave **\$78,800** to fund junkets for ALEC legislators between 2006 and 2008. The amount of funding Bayer has provided ALEC is not known.

Bayer has a seat on ALEC's corporate board, represented by Sandy Oliver, its Vice President of Public Policy and Government Affairs. Oliver is First Vice Chairman of ALEC's corporate board. Bayer is also the ALEC Corporate Co-Chair for the states of Connecticut, Massachusetts, Nevada, Pennsylvania, South Dakota, and Texas.

The company, which is part of Bayer AG, has about 112,300 employees worldwide as of August 2012, and reported annual sales of \$36.5 billion in 2011. Bayer AG is a global holding company for a number of pharmaceutical, biotechnology, agrochemicals, healthcare, plastics and other materials subsidiaries. The company operates in the United States through the Bayer Corporation. Bayer, also referred to as the Bayer Group, operates in some 315 companies worldwide. It is one of the "Big 6" "biotech" corporations, along with BASF, Dupont, Dow Chemical Company, Syngenta, and Monsanto (so called because they dominate the world's agricultural seed, pesticide and biotechnology industries). Marijn Dekkers is Bayer's chairman and CEO.

## Appendix 3: Frequent Funders of ALEC Junkets



Eli Lilly, a global drug company, gave ALEC **\$71,750** to fund travel for ALEC legislators during 2006-2008.

In addition, Lilly was a "Trustee" level sponsor of ALEC's 2010 Annual Conference, and gave ALEC a \$20,000 grant in 2008 to fund a project described as "Improving Outcomes or Undermining Quality? A Look at 'Comparative Effectiveness Research' in Medicine." The total amount of funding Lilly has given ALEC is unknown.

Lilly is best known for the anti-depressant Prozac. Other top drugs include Zyprexa (schizophrenia and bipolar disorder), Cymbalta (depression), Gemzar, Alimta (cancer), Humalog insulin and the osteoporosis medication Evista. The company also manufactures cardiovascular and anti-infective pharmaceuticals as well as animal health products. It employs 38,080 people worldwide as of February 2012 and reported annual sales of \$24.3 billion in 2011. Its chairman, president and CEO is John C. Lechleiter.

A number of ALEC bills would make it harder for Americans to hold drug companies accountable for death or injuries caused by prescription and over-the-counter drugs. One would even bar suit against makers of FDA approved drugs, even if the drugs kill or injure Americans. ALEC also favors voluntary compliance versus mandatory laws to govern drug companies

UST Public Affairs, Inc., which was affiliated with one of the world's largest tobacco companies, gave ALEC \$63,250 to fund trips for state lawmakers between 2006 and 2008. UST Inc. was purchased by Altria on January 6, 2009. UST was led by Murray M. Kessler, employed over 4,500 people worldwide and reported annual sales of almost \$1.5 billion before Altria bought it.



**UST Public Affairs** was represented on ALEC's corporate board by W. Preston Baldwin, UST's Vice President for Public Affairs. Baldwin left UST to form "Centerpoint 360," a lobbying firm. Baldwin is the Chairman of ALEC's corporate board as of 2012. The total amount of funding provided by UST to ALEC over the years is not known.

UST Inc. was a holding company whose subsidiaries included United States Tobacco Company, U.S. Smokeless Tobacco Company and International Wine & Spirits Ltd., which in turn was a holding company of Chateau Ste. Michelle Wine Estates, a vintner of premium wines. UST and its leaders were active in Republican political donor circles.

Tobacco companies like UST have been long-term funders of ALEC's legislative agenda, dating back at least to the 1980s. Key parts of that agenda have included making it harder for Americans to win product liability suits against the manufacturers of dangerous products like cigarettes that kill and harm Americans, and passing other laws that benefit other tobacco products and affect public health.

## Appendix 3: Frequent Funders of ALEC Junkets



**Pfizer Inc.**, the world's largest drug seller, gave ALEC **\$54,905.72** to fund junkets for state lawmakers between 2006 and 2008. Pfizer was a "Vice Chairman" level sponsor of ALEC's 2011 Annual Conference in New Orleans. The total amount of funding provided to ALEC over the years is unknown. Pfizer has a seat on ALEC's corporate board, represented by Robert Jones, Director of Government Relations and Public Affairs.

Pfizer, which is perhaps best known for its drugs Viagra and Lipitor, has 120,700 employees worldwide as of August 2012 and reported annual sales of \$67.4 billion in 2011. Its CEO is Ian Read.

A number of ALEC bills would make it harder for Americans to hold drug companies accountable for death or injuries caused by prescription and over-the-counter drugs. As noted above, one ALEC bill would even bar suit against makers of FDA-approved drugs, even if the drugs kill or injure Americans. ALEC also favors voluntary compliance versus mandatory laws to govern drug companies.



**Crown Cork & Seal Company**, a global company fighting to change the laws regarding asbestos, among other things, gave ALEC **\$54,000** to pay for trips for lawmakers between 2006 and 2008. The total amount of funding that Crown Cork has given ALEC is not known.

Crown has paid for a seat on ALEC's "Civil Justice Task Force," which has produced numerous bills to make it harder for Americans to hold companies accountable for damages caused by dangerous products like asbestos. Richard Krzyzanowski, General Counsel/ Emeritus, and William T. Gallagher, Esq., General Counsel, represent Crown on that task force.

Crown Holdings Inc., formerly Crown Cork & Seal Company, is an American company producing packaging. The company is the world's largest packaging company, and as of 2008, was operating 154 plants in 42 countries, employing over 24,000 people. It claims to manufacture one out of every five beverage cans used in the world, and one out of every three food cans used in North America and Europe. It reported annual sales of \$8.6 billion in 2011 and employs 20,655 people worldwide as of February 2012.



**Altria**, formerly Philip Morris, is the world's largest tobacco company. It gave ALEC **\$40,000** to pay for trips for state lawmakers between 2006 and 2008.

Altria was a "Chairman" level sponsor of the 2011 ALEC Annual Conference in New Orleans (a sponsorship that required a \$50,000 donation in 2010). Altria also served as a sponsor of the Louisiana Welcome Reception at the 2011 ALEC Annual Meeting, for an untold sum. The amount of funding Altria and its predecessor, Philip Morris, have provided to ALEC over the years is not publicly known.

Altria has a seat on ALEC's corporate board. Daniel Smith, the Western Regional Director of Altria Client Services, represents the corporation on the board as of 2012. Toby Spangler, a lobbyist with Altria Client Services, represented the corporation on ALEC's corporate board in 2011. Altria's subsidiary Philip Morris International is listed as the Private Sector Chair of ALEC's "International Relations Task Force" as of 2012.

Altria controls about half of the U.S. tobacco market. It reported annual sales of \$16.6 billion in 2011 and employs 9,900 people worldwide as of February 2012. Its chairman and CEO is Martin J. Barrington. As noted above, tobacco companies like Altria/Philip Morris and Reynolds, have been long-term funders of ALEC's legislative agenda, dating back at least to the 1980s, and key parts of that agenda favor tobacco interests.

## Appendix 3: Frequent Funders of ALEC Junkets



**Verizon**, one of the largest telecommunications companies in the U.S., gave ALEC **\$37,000** to fund trips for lawmakers between 2006 and 2008. The total amount of funding Verizon has provided to ALEC over the years is unknown.

Verizon has a seat on ALEC's corporate board and it is the ALEC Corporate Co-Chair for Virginia and Wyoming. Verizon has also been a member of ALEC's "Communications and Technology Task Force."

ALEC's current executive director, Ronald Scheberle, worked "for 31 years as a key member of the Verizon and GTE Federal and State Governmental Affairs Advocacy Team."

Verizon reported annual sales of \$110.8 billion in 2011 and has over 180,000 employees worldwide as of July 2012. Its CEO is Lowell C. McAdam.

Numerous ALEC bills attempt to deregulate telecommunications.



**Blue Cross and Blue Shield Association** (BC/BSA), the lobbying group for one of the largest providers of health insurance plans in the U.S., gave **\$36,750** to fund junkets for ALEC legislators between 2006 and 2008. The total amount of funding BC/BSA provided to ALEC over the years is not known. It announced this spring that it has stopped funding ALEC.

BC/BSA was also a "Director" level sponsor of 2011 ALEC Annual Conference, which in 2010 cost \$10,000.

BC/BSA, whose associated nonprofit BC/BS administers Medicaid for the federal government, had previously worked with ALEC to draft a resolution that would use the issue of states' rights to make health care reform (and regulation of the insurance industry) unconstitutional. ALEC drafted and distributed model legislation in the form of a resolution that would effectively make both a federally created health insurance exchange and a public health insurance option illegal under the 10th Amendment to the Constitution, which guarantees certain non-specific rights to the states. Joan Gardner, a senior executive at BC/BSA admitted playing a key role in crafting the resolution. ALEC's "Tenth Amendment/health care resolution" has been introduced in several states.

Scott Serota is the Chief Executive Officer of BC/BS itself, which has reported revenue of over \$330 million and more than 800 employees. It insures directly or indirectly nearly one-third of the U.S. population, or approximately 99 million Americans.

More details on these and other ALEC corporations are available at [www.ALECexposed.org](http://www.ALECexposed.org).

## Appendix 4: All Corporate Donors to ALEC "Scholarship" Fund

### 2006-2008

1-800 Contacts

American Electric Power

Allergan

Altria

American Electric Power

Ameristar Casino Vicksburg

Amylin Pharmaceuticals, Inc.

Anheuser-Busch Cos., Inc.

APS

AR Health Care Association

Arch Coal, Inc.

Assurant Health Foundation

Astellas

Astellas Pharma US Inc.

AstraZeneca Pharmaceuticals

AT&T

Bayer

BellSouth

Biotechnology

Blue Cross Blue Shield

BNSF Railway Companies

Boehringer Ingelheim Pharmaceuticals, Inc.

Boeing Company

Border Reallocation

BP Corporation

BP Corporation

Business and Industry Coalition

Casella Waste Systems

Cellular South

Cellular Telecom & Internet Association

Chesapeake Operating, Inc.

ChevronTexaco

Cinergy Corporation

Colorado Automobile Dealers Association

Columbia Gas of Ohio

Comcast

Consumers Energy

Coors Brewing Company

COPIC Insurance Company

Covanta Projects, Inc.

Credit Union Legislative Action Fund

Crown Cork & Seal Company

Dave Barrows & Associates, Inc.

Devon Energy Corporation

Dominion

Duke Power Company

Eli Lilly

Embarq

Entergy

First Energy

FPL Energy Maine

Freeport-McMoran Cooper & Gold

GA Hospital Association

Gamble & Schlemeier, Ltd.

Georgia Electric Membership Corporation

Georgia Hospital Association

Georgia-Pacific Corporation

GlaxoSmithKline

HCA Inc.

Illinois Bankers Association

Intermountain Rural Electric Association

Intuit

JM Family Enterprises

Johnson & Johnson

Koch Industries, Inc.

Louisiana Nursing Home Association

Maine Senate Republican Victory Fund

McGuire Woods Consulting

Metropolitan Utilities District of Omaha

Michelin North America, Inc.

Milton & Rose D. Friedman Foundation

Mississippi Power Company

## Appendix 4: All Corporate Donors to ALEC “Scholarship” Fund

MN House of Representatives  
Montana Retail Association  
National Beer Wholesalers Association  
NE Bankers Association  
NE Farm Bureau Federation  
Nebraska Bankers Association  
Nebraska Chamber of Commerce & Industry  
Nebraska Farm Bureau Federation  
Nestle  
NFIB  
NH Independent Pharmacy  
Nissan North America, Inc.  
Northrop Grumman  
Northrop Grumman  
NorthWestern Energy  
Novartis Corporation  
Novartis Pharmaceuticals Corp.  
Occidental International Corp.  
Ohio Cable Telecommunications Association  
Okie Tipac  
Peabody Energy  
Peabody Investments Corp.  
Peabody Investments Corp.  
Pfizer Inc.  
PhRMA  
Physicians Insurance  
Preti Flaherty  
Private Care Association  
Progress Energy Service Company  
Pueblo of Isleta  
Qwest Communications, Inc.  
Radcliffe and Associates  
Reynolds American  
RJ Reynolds Tobacco Co.  
Roche Diagnostics  
S.C. Association of Realtors  
Salt River Project  
Sanofi-Aventis  
SBC  
SC Association of Realtors  
SC Credit Union League  
Schering Corporation  
Sempra Energy  
South Carolina Association of Realtors  
South Carolina Credit Union League, Inc.  
Sprint Nextel  
State Farm Insurance Company  
Sunoco Inc.  
T-Mobile  
Takeda Pharmaceuticals  
TAP Pharmaceuticals Products Inc.  
Taxpayers Network  
Texas Association of Dairymen  
The Crown Co.  
The Flanigan Law Firm  
The Williams Companies, Inc.  
Unilever United States, Inc.  
United Parcel Service  
University of Phoenix  
University of Virginia  
UPS Foundation  
UPS Foundation  
UST Public Affairs Inc.  
Verizon  
Wal-Mart  
Washington State Medical Association  
Williams Companies  
Wisconsin Cable Communications  
Association, Inc.  
Wyeth Pharmaceuticals  
Xcel Energy



# Appendix 5: ALEC's Frequent Flyers

The following 20 legislators accepted the most money in ALEC gifts for travel between 2006 and 2008. These and other legislators may have received more gifts in the ensuing years, but most of the data for 2009, 2010, 2011, and 2012 has not been provided in response to open records requests.



**Dennis Hollingsworth** served in the California State Senate from 2002 to 2010 (when he was termed out), and served as minority leader of the California State Senate from 2008 to 2010. He served on ALEC's Energy, Environment, and Agriculture Task Force. He received a total of **\$14,813** in ALEC "scholarships," according to data from 2006 to 2008.



**John Harkins** served in the Connecticut House of Representatives from 1996 to 2009. He was appointed in 1998 as the Connecticut Chair of the American Legislative Exchange Council and received the Legislator of the Year award from ALEC in 2004. In 2006, he joined ALEC's national Board of Directors. He received a total of **\$12,000** in ALEC "scholarships," according to data from 2006 to 2008. Harkins is now the mayor of Stratford.



**S. Chris Jones** has served in the Virginia House of Delegates since 1998. He is a member of ALEC's Health and Human Services Task Force. He received a total of **\$11,808** in ALEC "scholarships," according to data from 2006 to 2008.



**Richard J. "Rick" Keene** served in the California State Assembly from 2002 to 2008 (when he was termed out). He received a total of **\$11,500** in ALEC "scholarships," according to data from 2006 to 2008.



**Judson Hill** has been a Georgia State Senator since 2004. He serves on ALEC's Health and Human Services Task Force. He received a total of **\$10,392** in ALEC "scholarships," according to data from 2006 to 2008.



**Rodney "Pete" Anderson** served in the Wyoming House of Representatives from 1992 to 2010. Anderson received a total of **\$10,191** in ALEC "scholarships," according to data from 2006 to 2008.



**Bill L. Cadman** has been a member of the State Senate in **Colorado** since 2007, when he was appointed to fill a vacancy. From 2000 to 2007, he served in the Colorado House of Representatives. Cadman is the ALEC Colorado State Chairman as of 2011. He also serves on ALEC's Board of Directors. He received a total of **\$9,123** in ALEC "scholarships," according to data from 2006 to 2008.



**Gayle Harrell** serves in the **Florida** House of Representatives. She served from 2000 to 2008, sat out one term pursuant to Florida's term limits, and was elected again in 2010. She received a total of **\$8,941** in ALEC "scholarships," according to data from 2006 to 2008.



**Tom Brinkman** served in the **Ohio** House of Representatives from 2000 to 2008. He received a total of **\$8,700** in ALEC "scholarships," according to data from 2006 to 2008.



**Nancy Spence** has served in the **Colorado** State Senate since 2006, and served in the House of Representatives from 1999 to 2005. She has been the chair of ALEC's Education Task Force since 2007. She received a total of **\$8,219** in ALEC "scholarships," according to data from 2006 to 2008.

## Appendix 5: ALEC's Frequent Flyers



**William "Chip" Rogers** has served in the **Georgia** State Senate since 2004, and served in the Georgia House of Representatives for one term before that. He is the Treasurer of ALEC's Board of Directors. Rogers also serves as the State Chairman of ALEC in Georgia and received ALEC's "State Chair of the Year" award in 2011. He received a total of **\$7,896** in ALEC "scholarships," according to data from 2006 to 2008.



**Fred F. Steen, II** has served in the State Assembly of **North Carolina** since he was appointed in 2004 to fill a vacancy. He was the North Carolina State Chairman of ALEC as of 2011 and serves on ALEC's Board of Directors. He has received a total of **\$7,665** in ALEC "scholarships," according to data from 2006 to 2008.



**Phil Montgomery** served in the **Wisconsin** State Assembly from 1998 to 2010. He is currently the Chairperson of the Public Service Commission of Wisconsin. He received a total of **\$7,664** in ALEC "scholarships," according to data from 2006 to 2008.



**Carol Weston** served in the **Maine** State Senate from 2002 to 2010 (when she was termed out). She received an ALEC "Legislator of the Year Award" in 2008. She is currently the Maine state director for Americans for Prosperity. She received a total of **\$7,611** in ALEC "scholarships," according to data from 2006 to 2008.



**Martin Scott** has served in the **Georgia** House of Representatives since 2004. He received a total of **\$7,451** in ALEC "scholarships," according to data from 2006 to 2008.



**John Wiles** has served in the **Georgia** State Senate since 2004, and previously served in the Georgia House of Representatives from 1994 to 2002. Wiles served as ALEC's State Co-Chair for Georgia. He has received a total of **\$7,382** in ALEC "scholarships" according to data from 2006 to 2008.



**Renee Kosel** has served in the **Illinois** State Assembly since 1997. She is the Illinois State Chair of ALEC and a member of the International Relations Task Force. She was presented with ALEC's "Legislator of the Year" award in 2008. Kosel received a total of **\$7,322** in ALEC "scholarships" according to data from 2006 to 2008.



**Kevin J. Mullin** has served in the **Vermont** State Senate since 2003. He was ALEC's State Chairman in Vermont as of 2011. He received a total of **\$7,215** in ALEC "scholarships," according to data from 2006 to 2008.



**Steve Buehrer** was a member of the **Ohio** State Senate from 2007 to 2010 and of the Ohio House of Representatives from 1998 to 2007. He is currently the director of the Ohio Bureau of Worker's Compensation. He received a total of **\$7,056** in ALEC "scholarships," according to data from 2006 to 2008.



**Scott Fitzgerald** has served in the **Wisconsin** State Senate since 1994. He is currently co-chair of the Joint Committee on Legislative Organization and the Joint Committee on Employee Relations. He received a total of **\$6,958** in ALEC "scholarships," according to data from 2006 to 2008.

Form **990**

**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

**2008**

Department of the Treasury  
Internal Revenue Service

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

Open to Public Inspection

**A** For the 2008 calendar year, or tax year beginning and ending

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

Please use IRS label or print or type.  
 See Specific Instructions.

**C** Name of organization  
**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**  
 Doing Business As  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
**1101 VERMONT AVE., NW, 11TH FLOOR**  
 City or town, state or country, and ZIP + 4  
**WASHINGTON, DC 20005-3515**

**D** Employer identification number  
**52-0140979**

**E** Telephone number  
**202-466-3800**

**F** Name and address of principal officer: **ALAN B. SMITH**  
**SAME AS C ABOVE**

**G** Gross receipts \$ **6,975,222.**

**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** Are all affiliates included?  Yes  No  
 If "No," attach a list. (see instructions)

**H(c)** Group exemption number ▶

**I** Tax-exempt status:  501(c) ( 3 ) (insert no.)  4947(a)(1) or  527

**J** Website: ▶ **WWW.ALEC.ORG**

**K** Type of organization:  Corporation  Trust  Association  Other ▶

**L** Year of formation: **1975** **M** State of legal domicile: **IL**

**Part I Summary**

Activities & Governance			
1	Briefly describe the organization's mission or most significant activities: <b>ASSIST LEGISLATORS, MEMBERS OF CONGRESS &amp; THE PUBLIC BY SHARING RESEARCH/EDUCATION INFORMATION.</b>		
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
3	Number of voting members of the governing body (Part VI, line 1a)	3	23
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	23
5	Total number of employees (Part V, line 2a)	5	37
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	12,220.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Revenue		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	6,130,496.	5,626,129.
9	Program service revenue (Part VIII, line 2g)	1,183,156.	1,309,768.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	56,702.	39,325.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	432,765.	
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,803,119.	6,975,222.
Expenses		Prior Year	Current Year
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	19,760.	26,102.
14	Benefits paid to or for members (Part IX, column (A), line 4)		
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,526,777.	2,674,855.
16a	Professional fundraising fees (Part IX, column (A), line 11e)		
16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>384,452.</b>		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	4,692,857.	4,736,675.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	7,239,394.	7,437,632.
19	Revenue less expenses. Subtract line 18 from line 12	563,725.	<462,410.>
Net Assets or Fund Balances		Beginning of Year	End of Year
20	Total assets (Part X, line 16)	3,168,106.	3,391,001.
21	Total liabilities (Part X, line 26)	2,171,678.	2,856,983.
22	Net assets or fund balances. Subtract line 21 from line 20	996,428.	534,018.

**Part II Signature Block**

Sign Here

Paid Preparer's Use Only

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

Part III Statement of Program Service Accomplishments (see instructions)

- 1 Briefly describe the organization's mission: SEE SCHEDULE O FOR CONTINUATION  
THE AMERICAN LEGISLATIVE EXCHANGE COUNCIL'S MISSION IS TO ADVANCE THE  
JEFFERSONIAN PRINCIPLES OF FREE MARKETS, LIMITED GOVERNMENT,  
FEDERALISM, AND INDIVIDUAL LIBERTY, THROUGH A NON-PARTISAN,  
PUBLIC-PRIVATE PARTNERSHIP BETWEEN AMERICA'S STATE LEGISLATORS AND
- 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 \$ 2,977,527. including grants of \$ 4,563.) (Revenue \$ 25,130.)  
TASK FORCES - ALEC'S EIGHT POLICY TASK FORCES PROVIDE A FORUM FOR  
LEGISLATORS AND THE PRIVATE SECTOR TO DISCUSS ISSUES, DEVELOP POLICIES,  
AND DRAFT MODEL LEGISLATION. THE EIGHT TASK FORCES ARE: CIVIL  
JUSTICE, EDUCATION, NATURAL RESOURCES, COMMERCE AND ECONOMIC  
DEVELOPMENT, TELECOMMUNICATIONS, PUBLIC SAFETY ELECTIONS, TAX AND  
FISCAL POLICY, AND HEALTH AND HUMAN SERVICES.

4b (Code: ) (Expenses \$ 1,955,040. including grants of \$ 21,539.) (Revenue \$ 1,189,026.)  
CONFERENCES - ALEC HOLDS SEVERAL CONFERENCES A YEAR, PROVIDING  
WORKSHOPS ON CURRENT ISSUES WITH LEADING EXPERTS, PUBLIC FIGURES AND  
ELECTED OFFICIALS. THE THREE NATIONAL CONFERENCES HELD DURING 2008  
WERE THE 35TH ANNUAL MEETING, SPRING TASK FORCE SUMMIT, AND STATES AND  
NATIONAL POLICY SUMMIT.

4c (Code: ) (Expenses \$ 717,090. including grants of \$ 0.) (Revenue \$ 93,387.)  
MEMBERSHIP - MEMBERSHIP MANAGES THE PROGRAMS FOR THE RECRUITMENT AND  
RETENTION OF ALEC STATE LEGISLATOR MEMBERS. THIS INCLUDES LIAISON WITH  
THE ALEC STATE CHAIRS, PRIVATE SECTOR STATE CHAIRS, AND SIX STATE  
LEADERSHIP TEAMS. IN ADDITION, MEMBERSHIP PROVIDES ASSISTANCE TO ALEC  
STATE CHAIRS IN RAISING STATE SCHOLARSHIP FUNDS, TRACKING THE  
EXPENDITURES OF THESE FUNDS, AND ENSURING THAT MEMBERS OF ALEC'S  
LEADERSHIP ARE OPERATING IN ACCORDANCE WITH ALEC'S POLICIES AND  
PROCEDURES.

4d Other program services. (Describe in Schedule O.)  
 (Expenses \$ 308,028. including grants of \$ ) (Revenue \$ 2,225.)

4e Total program service expenses \$ 5,957,685. (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>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
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>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. 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>	N/A	
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>		X
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>		X
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>		X
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>		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
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>	X	
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>	X	
13 Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		X
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>		X
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>		X
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>		X
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>		X
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>		X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X
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>		X
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>	X	
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>	X	
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>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
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?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. 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>		X
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>		X
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>		X
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>		X

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

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a 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)? If "Yes," complete Schedule L, Part IV		X
28a		X
b Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV		X
28b		X
c 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? If "Yes," complete Schedule L, Part IV		X
28c		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
29		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
30		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
31		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
32		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
33		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1		X
34		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
35		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
36		X
37 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? If "Yes," complete Schedule R, Part VI		X
37		X

Form 990 (2008)

**Part VII** Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	1a	15	
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b	0	
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
	1c		
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a	37	
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
	2b		
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
	3a		
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
	3b		
<b>4a</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)?		X
	4a		
<b>b</b>	If "Yes," enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
	4b		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
	5a		
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
	5b		
<b>c</b>	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
	5c		
<b>6a</b>	Did the organization solicit any contributions that were not tax deductible?		X
	6a		
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	6b		
<b>7</b>	Organizations that may receive deductible contributions under section 170(c).		
<b>a</b>	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?		X
	7a		
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
	7b		
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
	7c		
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
<b>e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
	7e		
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
	7f		
<b>g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
	7g		
<b>h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
	7h		
<b>8</b>	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	N/A		
<b>9</b>	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.		
<b>a</b>	Did the organization make any taxable distributions under section 4966?		
	N/A		
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
	N/A		
<b>10</b>	Section 501(c)(7) organizations. Enter: N/A		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
	10a		
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
	10b		
<b>11</b>	Section 501(c)(12) organizations. Enter: N/A		
<b>a</b>	Gross income from members or shareholders		
	11a		
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	11b		
<b>12a</b>	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
	12a		
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	N/A	
	12b		

**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**

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See Instructions.

	Yes	No
1a Enter the number of voting members of the governing body		23
1b Enter the number of voting members that are independent		23
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	X	
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?	X	
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?		X
9a Does the organization have local chapters, branches, or affiliates?		X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10 Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	X	
11 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies**

	Yes	No
12a Does the organization have a written conflict of interest policy? If "No," go to line 13		X
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done		
13 Does the organization have a written whistleblower policy?		X
14 Does the organization have a written document retention and destruction policy?	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
a The organization's CEO, Executive Director, or top management official?	X	
b Other officers or key employees of the organization? Describe the process in Schedule O. (see instructions)	X	
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **AK, AL, AR, AZ, CA, CO, CT, FL, GA, IL, KS, KY**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **▶**  
**THE ORGANIZATION - 202-466-3800**  
**1101 VERMONT AVE., NW, 11TH FL, WASHINGTON, DC 20005**



**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and current key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(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			
SENATOR STEVE FARIS NATIONAL CHAIRMAN	1.00	X					0.	0.	0.	
SENATOR L. PATRICK ENGEL FIRST VICE CHAIRMAN	1.00	X					0.	0.	0.	
SPEAKER WILLIAM HOWELL SECOND VICE CHAIRMAN	1.00	X					0.	0.	0.	
REP. JANE CUNNINGHAM TREASURER	1.00	X					0.	0.	0.	
SPEAKER TOM CRADDICK SECRETARY	1.00	X					0.	0.	0.	
REP. DOLORES MERTZ IMMEDIATE PAST CHAIR	1.00	X					0.	0.	0.	
REP. LISTON BARFIELD DIRECTOR	1.00	X					0.	0.	0.	
REP. HAROLD J. BRUBAKER DIRECTOR	1.00	X					0.	0.	0.	
REP. EARL EHRHART DIRECTOR	1.00	X					0.	0.	0.	
REP. NOBLE ELLINGTON DIRECTOR	1.00	X					0.	0.	0.	
REP. DAVID N. FRIZZELL DIRECTOR	1.00	X					0.	0.	0.	
SEN. WILLIAM HEWES III DIRECTOR	1.00	X					0.	0.	0.	
SENATOR OWEN H. JOHNSON DIRECTOR	1.00	X					0.	0.	0.	
REP. STEVE MCDANIEL DIRECTOR	1.00	X					0.	0.	0.	
REP. PHILLIP MONTGOMERY DIRECTOR	1.00	X					0.	0.	0.	
REP. JOHN PISCOPO DIRECTOR	1.00	X					0.	0.	0.	
SENATOR WILLIAM RAGGIO DIRECTOR	1.00	X					0.	0.	0.	

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(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			
SENATOR DEAN A. RHOADS DIRECTOR	1.00	X						0.	0.	0.
SENATOR VAL A. STEVENS DIRECTOR	1.00	X						0.	0.	0.
REP. JAMES VAN FOSSEN DIRECTOR	1.00	X						0.	0.	0.
SENATOR SUSAN WAGLE DIRECTOR	1.00	X						0.	0.	0.
REP. HAL WICK DIRECTOR	1.00	X						0.	0.	0.
ALAN B. SMITH EXECUTIVE DIRECTOR	37.50			X				168,070.	0.	8,117.
LISA BOWEN SR DIR OF FINANCE/ADMIN.	37.50			X				94,288.	0.	10,077.
LORI ROMAN EXEC. DIR. (1/1-2/18/08)	37.50			X				145,882.	0.	3,424.
MICHAEL BOWMAN SR DIR OF POLICY/STRAT.	37.50					X		145,855.	0.	19,784.
<b>1b Total</b> .....								554,095.	0.	41,402.

- 2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ..... **3**
- |  | Yes | No |
|--|-----|----|
| 3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual .....   |     | X  |
| 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual ..... | X   |    |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person .....                                     |     | X  |

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
CMI, 200 MILE CROSSING BLVD., ROCHESTER, NY 14624	AUDIO VISUAL	297,357.
ACCENT ON THE CHILDREN, 615 BARRONE STREET, #303, NEW ORLEANS, LA 70113	CHILDCARE/MEETING	139,365.
<b>2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization</b> ▶	<b>2</b>	

Part VIII Statement of Revenue			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	5626129.				
	g Noncash contributions included in lines 1a-1f: \$						
h Total. Add lines 1a-1f			5,626,129.				
Program Service Revenue	2 a CONFERENCES / SEMINARS	Business Code	900099	1,201,381.	1,076,031.	125,350.	
	b MEMBERSHIP DUES		900099	93,387.	93,387.		
	c ADVERTISING		541800	12,220.		12,220.	
	d PUBLICATIONS		900099	2,780.	2,780.		
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			1,309,768.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			39,325.		39,325.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross Rents	(i) Real					
		(ii) Personal					
		b Less: rental expenses					
		c Rental income or (loss)					
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	(i) Securities					
		(ii) Other					
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
	d Net gain or (loss)						
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
		b Less: direct expenses	b				
		c Net income or (loss) from fundraising events					
	9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue			Business Code				
11 a							
b							
c							
d All other revenue							
e Total. Add lines 11a-11d							
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e				6,975,222.	1,172,198.	12,220.	164,675.

**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).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(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 .....				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 .....	26,102.	26,102.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 .....				
4 Benefits paid to or for members .....				
5 Compensation of current officers, directors, trustees, and key employees .....	433,301.	303,311.	86,660.	43,330.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....				
7 Other salaries and wages .....	1,764,018.	1,249,450.	343,681.	170,887.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) .....	61,338.	43,356.	12,006.	5,976.
9 Other employee benefits .....	257,377.	167,236.	57,949.	32,192.
10 Payroll taxes .....	158,821.	127,070.	23,441.	8,310.
11 Fees for services (non-employees):				
a Management .....				
b Legal .....	32,868.	23,229.	6,436.	3,203.
c Accounting .....	88,367.	62,452.	17,303.	8,612.
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17 .....				
f Investment management fees .....				
g Other .....	207,578.	184,583.	22,300.	695.
12 Advertising and promotion .....	195.	195.		
13 Office expenses .....	473,497.	425,373.	35,489.	12,635.
14 Information technology .....	62,877.	44,962.	11,961.	5,954.
15 Royalties .....				
16 Occupancy .....	649,344.	458,916.	127,142.	63,286.
17 Travel .....	376,305.	340,104.	36,198.	3.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings .....	2,204,173.	2,081,311.	122,862.	
20 Interest .....	23,268.	16,444.	4,556.	2,268.
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	105,151.	74,314.	20,589.	10,248.
23 Insurance .....	39,753.	31,339.	5,618.	2,796.
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 MISCELLANEOUS .....	117,031.	0.	117,031.	0.
b BAD DEBT EXPENSE .....	103,500.	73,148.	20,265.	10,087.
c HONORARIA/WRITER FEES .....	56,921.	56,921.	0.	0.
d SUBSCRIPTIONS .....	56,643.	55,107.	1,456.	80.
e MERCHANT FEES .....	44,987.	42,337.	1,769.	881.
f All other expenses .....	94,217.	70,425.	20,783.	3,009.
25 Total functional expenses. Add lines 1 through 24f .....	7,437,632.	5,957,685.	1,095,495.	384,452.
26 Joint Costs. 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
Assets	1 Cash - non-interest-bearing .....	8,982.	1	8,115.
	2 Savings and temporary cash investments .....	1,657,885.	2	1,816,176.
	3 Pledges and grants receivable, net .....	1,171,423.	3	805,137.
	4 Accounts receivable, net .....	2,290.	4	140.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L .....		5	
	6 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 .....		6	
	7 Notes and loans receivable, net .....		7	
	8 Inventories for sale or use .....		8	
	9 Prepaid expenses and deferred charges .....	59,671.	9	100,897.
	10a Land, buildings, and equipment: cost basis .....	10a 1,601,738.		
	b Less: accumulated depreciation. Complete Part VI of Schedule D .....	10b 945,296.	211,628.	10c 656,442.
	11 Investments - publicly traded securities .....		11	
	12 Investments - other securities. See Part IV, line 11 .....		12	
	13 Investments - program-related. See Part IV, line 11 .....		13	
	14 Intangible assets .....		14	
	15 Other assets. See Part IV, line 11 .....	56,227.	15	4,094.
16 Total assets. Add lines 1 through 15 (must equal line 34) .....	3,168,106.	16	3,391,001.	
Liabilities	17 Accounts payable and accrued expenses .....	631,730.	17	612,486.
	18 Grants payable .....		18	
	19 Deferred revenue .....	178,310.	19	178,808.
	20 Tax-exempt bond liabilities .....		20	
	21 Escrow account liability. Complete Part IV of Schedule D .....		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		22	
	23 Secured mortgages and notes payable to unrelated third parties .....	400,000.	23	175,000.
	24 Unsecured notes and loans payable .....		24	
	25 Other liabilities. Complete Part X of Schedule D .....	961,638.	25	1,890,689.
	26 Total liabilities. Add lines 17 through 25 .....	2,171,678.	26	2,856,983.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets .....	<387,655.>	27	<640,980.>
	28 Temporarily restricted net assets .....	1,384,083.	28	1,174,998.
	29 Permanently restricted net assets .....		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds .....		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund .....		31	
	32 Retained earnings, endowment, accumulated income, or other funds .....	996,428.	32	534,018.
33 Total net assets or fund balances .....	3,168,106.	33	3,391,001.	
34 Total liabilities and net assets/fund balances .....		34		

**Part XI Financial Statements and Reporting**

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? .....		X
b Were the organization's financial statements audited by an independent accountant? .....	X	
c 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	
3a 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 If "Yes," did the organization undergo the required audit or audits? .....		

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**

OMB No. 1545-0047

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

**2008**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

Employer identification number

**52-0140979**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only one organization.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  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 exempt 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). (Complete the Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.  
 a  Type I      b  Type II      c  Type III - Functionally Integrated      d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  
 (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?   
 (ii) A family member of a person described in (i) above?   
 (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the organizations the organization supports.

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule A (Form 990 or 990-EZ) 2008

**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**

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4678159.	5215031.	5775598.	6130496.	5757224.	27556508.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 - 3	4678159.	5215031.	5775598.	6130496.	5757224.	27556508.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						2128972.
6 Public Support. Subtract line 5 from line 4						25427536.

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4	4678159.	5215031.	5775598.	6130496.	5757224.	27556508.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	7,783.	32,612.	58,118.	489,467.	39,325.	627,305.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						28183813.
12 Gross receipts from related activities, etc. (see instructions)					12	5,914,069.
13 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	<input type="checkbox"/>					

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	90.22 %
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	88.04 %
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	<input checked="" type="checkbox"/>	
b 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	<input type="checkbox"/>	
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 "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	<input type="checkbox"/>	
b 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	<input type="checkbox"/>	
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	<input type="checkbox"/>	

**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**

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6</b> Total. Add lines 1 - 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
<b>c</b> Add lines 7a and 7b						
<b>8</b> Public support (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13</b> Total support (Add lines 9, 10c, 11, and 12)						

**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**

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	<b>18</b>	%

**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. The organization qualifies as a publicly supported organization

**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. The organization qualifies as a publicly supported organization

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



**Schedule D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ 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.

OMB No. 1545-0047

**2008**

Open to Public Inspection

Name of the organization

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

Employer identification number  
**52-0140979**

**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.

	(a) Donor advised funds	(b) Funds and other accounts
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 and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or pleasure)       Preservation of an historically important land area

Protection of natural habitat       Preservation of certified historic structure

Preservation of open space

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06 .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? .....

Yes  No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

Yes  No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**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.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 .....

(ii) Assets included in Form 990, Part X .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 .....

b Assets included in Form 990, Part X .....

**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:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

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.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
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  %
- b Permanent endowment  %
- c Term endowment  %

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

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

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.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold Improvements		354,101.	23,688.	330,413.
d Equipment		1,005,519.	739,649.	265,870.
e Other		242,118.	181,959.	60,159.
<b>Total.</b> Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				656,442.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products .....		
Closely-held equity interests .....		
Other .....		
Total. (Col (b) should equal Form 990, Part X, col (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. (Col (b) should equal Form 990, Part X, col (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount	
Federal income taxes		
CAPITAL LEASE OBLIGATIONS	64,656.	
SCHOLARSHIP FUNDS HELD AS AGENT	1,053,457.	
DEFERRED RENT AND LEASE BENEFIT	772,576.	
Total. (Column (b) should equal Form 990, Part X, col (B) line 25.) ▶	1,890,689.	

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

**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	6,975,222.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	7,437,632.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	<462,410.>
4	Net unrealized gains (losses) on investments	4	
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	0.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	<462,410.>

**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	7,106,317.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	131,095.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	131,095.
3	Subtract line 2e from line 1	3	6,975,222.
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	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	6,975,222.

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

1	Total expenses and losses per audited financial statements	1	7,568,727.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	131,095.
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	131,095.
3	Subtract line 2e from line 1	3	7,437,632.
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	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	7,437,632.

**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.

**PART X: ALEC HAS ELECTED TO DEFER THE APPLICATION OF**

**INTERPRETATION 48 FOR THE YEAR ENDED DECEMBER 31, 2008.**

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SCHEDULE I (Form 990)

Department of the Treasury Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the U.S.

▶ Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22. ▶ Attach to Form 990.

OMB No. 1545-0047

2008



Name of the organization

AMERICAN LEGISLATIVE EXCHANGE COUNCIL

Employer identification number  
52-0140979

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any grants and other assistance to organizations and individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ...

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2 Enter total number of section 501(c)(3) and government organizations

3 Enter total number of other organizations

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule I (Form 990) 2008



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
THE ADAM SMITH FREE ENTERPRISE AWARD	1	1,650.	0.		
THE WILLIAM J. RAGGIO EXCELLENCE IN LEADERSHIP AND OUTSTANDING SERVICE AWARD	2	2,500.	0.		
WARREN BROOKES AWARD FOR EXCELLENCE IN JOURNALISM	1	1,850.	0.		
ALEC CHAMPTON AWARD	1	1,250.	0.		
LEADERSHIP AWARD	2	2,200.	0.		

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

SCHEDULE I, PART I, LINE 1: GRANT FUNDS ARE EVALUATED ON A GRANT BY GRANT BASIS. GRANT DOCUMENTATION IS REVIEWED BY SENIOR MANAGERS PRIOR TO BEING SENT OUT. ONCE APPROVED, ANY GRANT THAT IS GIVEN FOR A DIRECT PURPOSE IS REVIEWED ON A CONSISTENT BASIS TO ENSURE ORGANIZATION REMAINS IN COMPLIANCE WITH REQUESTED DOCUMENTS.

Part III Continuation of Grants and Other Assistance to Individuals in the U.S. (Schedule I (Form 990), Part III.)

(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
INTERNATIONAL LEGISLATOR OF THE YEAR AWARD	1.	665.	0.		
LEGISLATOR AND PRIVATE SECTOR MEMBER OF THE YEAR AWARDS	12.	7,980.	0.		
VOLUNTEER OF THE YEAR AWARD	2.	300.	0.		

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2008**

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.

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

Employer identification number

**52-0140979**

**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 checked="" type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                               |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" 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? **4a**  **X**
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**  **X**
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c**  **X**

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? **5a**  **X**
- b** Any related organization? **5b**  **X**
- 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? **6a**  **X**
- b** Any related organization? **6b**  **X**
- 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 **7**  **X**

**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 **8**  **X**

	Yes	No
1a		
1b		
2		
3		
4a	<input checked="" type="checkbox"/>	
4b		<input checked="" type="checkbox"/>
4c		<input checked="" type="checkbox"/>
5a		<input checked="" type="checkbox"/>
5b		<input checked="" type="checkbox"/>
6a		<input checked="" type="checkbox"/>
6b		<input checked="" type="checkbox"/>
7		<input checked="" type="checkbox"/>
8		<input checked="" type="checkbox"/>

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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 compensation				
	(i)	168,070.	0.	0.	10,391.	178,461.	0.
ALAN B. SMITH	(ii)	0.	0.	0.	0.	0.	0.
	(iii)	145,855.	0.	5,834.	16,655.	168,344.	0.
MICHAEL BOWMAN	(i)	0.	0.	0.	0.	0.	0.
	(ii)						
	(iii)						
	(i)						
	(ii)						
	(iii)						
	(i)						
	(ii)						
	(iii)						
	(i)						
	(ii)						
	(iii)						
	(i)						
	(ii)						
	(iii)						
	(i)						
	(ii)						
	(iii)						
	(i)						
	(ii)						
	(iii)						

**Part III** Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

**PART I, LINE 4A: LORI ROMAN, EXECUTIVE DIRECTOR RECEIVED A TOTAL SEVERANCE PAYMENT OF \$117,031 FOR THE YEAR ENDED DECEMBER 31, 2008.**

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 LEGISLATIVE EXCHANGE COUNCIL

Employer identification number

52-0140979

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

CONCERNED MEMBERS OF THE PRIVATE SECTOR, THE FEDERAL GOVERNMENT AND THE  
GENERAL PUBLIC.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

PUBLIC AFFAIRS

EXPENSES \$ 308028. INCLUDING GRANTS OF \$ 0. REVENUE \$ 2225.

FORM 990, PART VI, SECTION A, LINE 2: JEFFREY LANE AND KENNETH LANE ARE  
BROTHERS AND DIRECTORS OF ALEC.

FORM 990, PART VI, SECTION A, LINE 6: THE MEMBERSHIP OF ALEC SHALL  
CONSIST OF SUCH PERSONS WHO ACCEPT MEMBERSHIP THROUGH PAYMENTS OF DUES AND  
SUBSCRIPTION.

FORM 990, PART VI, SECTION A, LINE 7A: THE NOMINATING COMMITTEE SUBMITS A  
LIST OF CANDIDATES FOR ELECTION AS OFFICERS AND DIRECTORS INCLUDING THREE  
NAMES FROM THE LIST OF SIX NOMINEES SUBMITTED BY THE STATE CHAIRMEN AND THE  
LIST OF FOUR NOMINEES SUBMITTED BY THE TASK FORCE CHAIRS. THE NOMINATING  
COMMITTEE CONSISTS OF THE NATIONAL CHAIRMEN, SERVING AS CHAIRMAN OF THE  
COMMITTEE, AND PAST NATIONAL CHAIRMEN WHO ARE SERVING ON THE BOARD OF  
DIRECTORS. THE COMMITTEE SHOULD CONSIST OF FIVE MEMBERS.

FORM 990, PART VI, SECTION A, LINE 8B: VARIOUS COMMITTEES HAVE BEEN FORMED  
TO ASSIST MANAGEMENT AND THE BOARD IN OVERSEEING THE OPERATION AND  
FINANCIAL REPORTING OF ALEC. ALTHOUGH SEVERAL EXECUTIVE AND FINANCE

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

Schedule O (Form 990) 2008

832211  
12-18-08

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 LEGISLATIVE EXCHANGE COUNCIL

Employer identification number

52-0140979

COMMITTEE MEETINGS WERE HELD DURING THE YEAR, THESE COMMITTEES DID NOT  
MAINTAIN FORMAL WRITTEN MINUTES OF THEIR MEETINGS.

FORM 990, PART VI, SECTION A, LINE 10: SR. DIRECTOR OF FINANCE REVIEWS 990  
PER INSTRUCTIONS, TRACES ALL FIGURES FROM AUDITED FINANCIAL STATEMENTS IN  
PREPARED 990, AND REVIEWS ANY DISCREPANCIES WITH TAX PREPARERS. BEFORE THE  
990 IS FINAL, THE EXECUTIVE DIRECTOR REVIEWS IT. THE 990 IS THEN PROVIDED  
TO THE ENTIRE GOVERNING BODY.

FORM 990, PART VI, SECTION B, LINE 15: ALEC COMPARES CURRENT SALARY RATES  
WITH OTHER NON-PROFITS BY REVIEWING VARIOUS FEDERAL FORM 990'S TO ENSURE  
THE RATES ARE COMPETITIVE. ONCE COMPENSATION IS DETERMINED FOR TOP  
MANAGEMENT OFFICIALS, OFFICERS, AND KEY EMPLOYEES THE BOARD OF DIRECTORS  
REVIEWS AND APPROVES THE RATES PRIOR TO DISSEMINATION.

FORM 990, PART VI, LINE 17, LIST OF STATES RECEIVING COPY OF FORM 990:  
AK, AL, AR, AZ, CA, CO, CT, FL, GA, IL, KS, KY, LA, MA, MD, ME, MI, MN, MS, NC, ND, NH, NJ, NM, NY  
OH, OK, OR, PA, RI, SC, TN, UT, VA, WA, WI, WV

FORM 990, PART VI, SECTION C, LINE 19: ALEC MAKES THESE DOCUMENTS  
AVAILABLE UPON REQUEST.

FORM 990, PART VII CONTACT ADDRESSES FOR OFFICERS, DIRECTORS, ETC:  
LORI ROMAN - 612 ST. MULBERRY COURT  
ANNAPOLIS, MD 21401

**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 LEGISLATIVE EXCHANGE COUNCIL**

Employer identification number  
**52-0140979**

**FORM 990, PART XI, LINE 2C**

**ALEC HAS A COMMITTEE THAT ASSUMES RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDIT, REVIEW, OR COMPILATION OF ITS FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT AUDITOR. THERE HAVE BEEN NO CHANGES IN THESE PROCESSES FROM LAST YEAR.**

**FORM 990, PART VI, LINE 12 AND LINE 13**

**FOR THE YEAR ENDED DECEMBER 31, 2008, ALEC DOES NOT HAVE A CONFLICT OF INTEREST AND WHISTLEBLOWER POLICY. HOWEVER, THESE POLICIES ARE PRESENTLY BEING DRAFTED AND WILL BE IMPLEMENTED DURING THE NEXT TAX YEAR.**



## **Financial Statements**

*For The Year Ended December 31, 2008*



**and  
Report Thereon**





RAFFA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
American Legislative Exchange Council

CONSULTING  
ACCOUNTING  
TECHNOLOGY

*Certified Public  
Accountants*

We have audited the accompanying statement of financial position of the American Legislative Exchange Council (ALEC) as of December 31, 2008 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of ALEC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ALEC's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Legislative Exchange Council as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of functional expenses for the year ended December 31, 2008 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in relation to the basic financial statements taken as a whole.



RAFFA, P.C.

Washington, DC  
August 17, 2009

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2008**

**ASSETS**

Cash and cash equivalents	\$ 1,824,291
Contributions receivable, net of allowance of \$105,000	806,417
Prepaid expenses	100,897
Deposits	2,954
Property and equipment, net	<u>656,442</u>

**TOTAL ASSETS** \$ 3,391,001

**LIABILITIES AND NET ASSETS**

**Liabilities**

Accounts payable and accrued expenses	\$ 612,486
Line of credit	175,000
Scholarship funds held as agent	1,053,457
Deferred member dues	178,808
Deferred rent and lease benefit	772,576
Capital lease obligations	<u>64,656</u>

**Total Liabilities** 2,856,983

**Net Assets**

Unrestricted (deficit)	(640,980)
Temporarily restricted	<u>1,174,998</u>

**Total Net Assets** 534,018

**TOTAL LIABILITIES AND NET ASSETS** \$ 3,391,001

The accompanying notes are an integral part of these financial statements.



**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Conferences	\$ 2,622,792	\$ 152,500	\$ 2,775,292
Task forces	1,488,023	469,350	1,957,373
General support	1,340,250	510,815	1,851,065
International project	216,000	40,000	256,000
Donated goods and services	131,095	-	131,095
Membership dues	93,387	-	93,387
Interest	39,325	-	39,325
Publications	2,780	-	2,780
Net assets released from restrictions:			
Satisfaction of time restrictions	<u>1,381,750</u>	<u>(1,381,750)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>7,315,402</u>	<u>(209,085)</u>	<u>7,106,317</u>
<b>EXPENSES</b>			
Program Services			
Task forces	2,977,527	-	2,977,527
Conferences	2,052,983	-	2,052,983
Membership	717,090	-	717,090
Public affairs	<u>308,028</u>	<u>-</u>	<u>308,028</u>
<b>Total Program Services</b>	<u>6,055,628</u>	<u>-</u>	<u>6,055,628</u>
Supporting Services			
General and administrative	927,168	-	927,168
Development	395,992	-	395,992
Board of Directors	<u>189,939</u>	<u>-</u>	<u>189,939</u>
<b>Total Supporting Services</b>	<u>1,513,099</u>	<u>-</u>	<u>1,513,099</u>
<b>TOTAL EXPENSES</b>	<u>7,568,727</u>	<u>-</u>	<u>7,568,727</u>
<b>CHANGE IN NET ASSETS</b>	<u>(253,325)</u>	<u>(209,085)</u>	<u>(462,410)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>(387,655)</u>	<u>1,384,083</u>	<u>996,428</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ (640,980)</u>	<u>\$ 1,174,998</u>	<u>\$ 534,018</u>

The accompanying notes are an integral part of these financial statements.

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2008**

**Increase (Decrease) in Cash and Cash Equivalents**

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (462,410)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Provision for doubtful accounts	43,500
Depreciation and amortization	105,151
Amortization of deferred lease benefit	46,063
Changes in assets and liabilities:	
Contributions receivable	323,796
Prepaid expenses	(41,226)
Deposits	53,273
Accounts payable and accrued expenses	(19,244)
Scholarships funds held as agent	96,981
Deferred member dues	498
Deferred rent and lease benefit	726,513
	<u>872,895</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchases of property and equipment	<u>(478,945)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(478,945)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Payments on line of credit	(225,000)
Payments on capital lease obligations	<u>(11,526)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(236,526)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	157,424
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,666,867</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,824,291</u>
<b>NONCASH FINANCING ACTIVITIES</b>	
Equipment purchased under capital lease agreements	\$ 71,020
Obligation incurred under capital lease agreements	<u>(71,020)</u>
<b>Net Cash Outlay</b>	<u>\$ -</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>	
Actual cash payments for interest	<u>\$ 23,268</u>

The accompanying notes are an integral part of these financial statements.

# AMERICAN LEGISLATIVE EXCHANGE COUNCIL

## NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2008

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### 1. Organization and Summary of Significant Accounting Policies

#### Organization

The American Legislative Exchange Council (ALEC) is a non-profit educational entity, incorporated in December 1975, under the laws of the State of Illinois. Its mission is to assist State Legislators, Members of Congress, and the general and business public by sharing research and educational information. These activities are funded primarily through sponsorships and contributions from the private sector and membership dues.

#### Cash Equivalents

Cash equivalents include highly liquid investments with original maturities of three months or less.

#### Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. As of December 31, 2008, all contributions receivable were due to be collected within one year. ALEC uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific contributions.

#### Property and Equipment and Related Depreciation and Amortization

Property and equipment are recorded at cost. Depreciation on furniture and equipment is provided for on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 7 years. Leasehold improvements and equipment under capital leases are amortized using the straight-line method over the lesser of the lease term or the estimated useful life of the asset. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation and amortization and any gain or loss is reflected in income or expense in the accompanying statement of activities. Major additions are capitalized while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

#### Deferred Member Dues and Scholarship Funds Held as Agent

Legislator member dues received in advance are deferred until the appropriate membership period and reported as deferred member dues. Scholarships received on behalf of State Legislators in agency transactions are reported as scholarship funds held as agent. Scholarships are payable, upon approval by the relevant State Chairman, to State Legislators to reimburse them for travel expenses incurred attending meetings of ALEC.

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2008**

---

**1. Organization and Summary of Significant Accounting Policies (continued)**

Net Assets

The net assets of ALEC are reported as follows:

- Unrestricted net assets represent funds that are available for support of ALEC's operations.
- Temporarily restricted net assets represent amounts that are subject to donor-imposed restrictions to be used for a particular purpose or within a specific time period.

Revenue Recognition

General support and task forces support are considered to be contributions available for unrestricted use unless specifically restricted by the donor. ALEC reports gifts of cash and other assets that are received with donor stipulations limiting the use of the donated assets as unrestricted support if all such donor restrictions are met in the year the award is received. Gifts of cash and other assets that are received with donor stipulations limiting the use of the donated assets are reported as temporarily restricted if such donor stipulations are not fully met in the year the award is received. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions.

Legislative membership dues are recognized as revenue in the membership period to which the dues relate. Accordingly, dues paid by legislator members in advance of the membership period are reported as deferred member dues in the accompanying statement of financial position.

Legacy dues are a lifetime membership offered by ALEC to the first fifty applicants. Members may attend all future meetings and conferences of ALEC at no additional cost, a benefit which may exceed the legacy dues fee. Legacy membership dues received are recognized as deferred member dues in the accompanying statement of financial position and revenue is recognized over the estimated average life expectancy of the member. Revenue recognized under this program is included in general support in the accompanying statement of activities.

Revenue and the related costs of the annual conference, meetings and workshops are recognized in the year in which the conference, meetings or workshops are held and are reported as conference revenue in the accompanying statement of activities.

Continued

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended December 31, 2008

**1. Organization and Summary of Significant Accounting Policies (continued)**

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated proportionately among the programs and supporting services to which they relate on the basis of direct labor costs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2. Property and Equipment**

Property and equipment consists of the following as of December 31, 2008:

Furniture and equipment	\$ 1,169,718
Leasehold improvements	354,101
Equipment under capital leases	<u>77,919</u>
Subtotal	1,601,738
Less: Accumulated depreciation and amortization	<u>(945,296)</u>
Property and equipment, net	<u>\$ 656,442</u>

Continued

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended December 31, 2008

**3. Temporarily Restricted Net Assets**

Temporarily restricted net assets are restricted due to time and program restrictions. The funds listed below as time restricted are solicited in conjunction with conferences and events associated with the projects listed. All such funds are available for use during the year ending December 31, 2009. As of December 31, 2008, temporarily restricted net assets were restricted as follows:

Time Restricted:	
General support	\$ 513,148
Task forces	334,000
Conferences	<u>92,500</u>
Total time restricted	<u>939,648</u>
Program Restricted:	
Task forces	173,350
Conferences	<u>60,000</u>
Total program restricted	<u>235,350</u>
Total Temporarily Restricted Net Assets	<u>\$1,174,998</u>

**4. Commitments**

Operating Lease

Effective January 1, 2008, ALEC entered into a new operating lease for office space which will expire in December 2017. Monthly rental payments are subject to increases of two and a half percent of the base rent throughout the term of the agreement. The lease also provided for a rental abatement for the first three months of the lease and included a tenant improvement allowance of up to \$45 per square foot or a combination of tenant improvements and additional credits towards base rental obligations as an incentive to enter into the lease. ALEC received a total of \$460,625 for tenant improvements and \$142,060 of credits towards base rental obligations beyond the first three months during the year ended December 31, 2008.

Under accounting principles generally accepted in the United States of America, all fixed rent increases, less any rental abatements, and all lease incentives, are recognized on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as deferred rent and lease benefit in the accompanying statement of financial position.

Continued

AMERICAN LEGISLATIVE EXCHANGE COUNCIL

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2008

4. Commitments (continued)

Operating Lease (continued)

Rent expense for the year ended December 31, 2008 was \$649,344.

Future minimum lease payments required under this operating lease are as follows:

<u>For the Year Ending</u> <u>December 31,</u>	
2009	\$ 655,252
2010	671,633
2011	688,424
2012	705,634
2013	741,149
Thereafter	<u>3,154,573</u>
Total	<u>\$ 6,616,665</u>

Line and Letter of Credit

ALEC maintains a line-of-credit with a bank in the amount of \$750,000. The current agreement expires August 31, 2009. Interest on any outstanding balance accrues at the U.S. Prime Rate but in no circumstance will such rate be less than 4.50% per annum. Borrowings on this line of credit are secured by ALEC's receivables. As of December 31, 2008, the outstanding balance on this line of credit was \$175,000.

Included in the line of credit is a standby letter of credit in the amount of \$213,090 which serves as the security deposit for ALEC's office lease.

Hotel Commitments

ALEC reserves hotel space for its conferences in advance. The contracts stipulate the number of rooms to be reserved and the time period for which they are to be reserved. As of the date of this report, contracts for hotel space had been entered into through 2009. However, due to numerous variables involved, ALEC's ultimate liability under these contracts cannot be determined. Management does not believe that any of these commitments will result in a material loss. Accordingly, no amount for this potential liability has been reflected in the accompanying financial statements.

Continued

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2008**

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**4. Commitments (continued)**

Concentration of Credit Risk

The maximum limit insured by the Federal Deposit Insurance Corporation (FDIC) was \$100,000 per depositor at a financial institution until October 3, 2008 when the FDIC temporarily increased the limit from \$100,000 to \$250,000. The increased FDIC coverage expires at the end of 2013. The cash and cash equivalents of ALEC at times exceed the amount guaranteed by the FDIC and therefore bear some risk. ALEC has not experienced, nor does it anticipate, any loss of funds. As of December 31, 2008, the amount in excess of the FDIC limit was \$674,205.

**5. Donated Goods and Services**

ALEC receives donated professional services and materials for various conferences and events which benefit each of its programs and supporting services. The amounts reported are based on the estimated fair value of services rendered. The amount of in-kind revenue and expenses was \$131,095 for the year ended December 31, 2008. These amounts are allocated to each of the programs and supporting services in the accompanying statement of activities on the basis of direct labor costs.

**6. Description of Programs and Supporting Services**

The following programs and supporting services are included in the accompanying statement of activities:

Task forces

ALEC's eight policy Task Forces provide a forum for legislators and the private sector to discuss issues, develop policies, and draft model legislation. The eight Task Forces include the following: Public Safety and Elections; Civil Justice; Education; Natural Resources; Commerce and Economic Development; Telecommunications and Information Technology; Health and Human Services; and Tax and Fiscal Policy. Each Task Force is co-chaired by a public and private sector member of ALEC.

Conferences

ALEC holds national conferences, providing workshops on current issues with leading experts, public figures and elected officials. The conferences draft and adopt model legislation and policy. The three national conferences held in 2008 and 2007 were the Annual Meeting, Spring Task Force Meeting and States and National Policy Summit Meeting.



## AMERICAN LEGISLATIVE EXCHANGE COUNCIL

### NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2008

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#### 6. Description of Programs and Supporting Services (continued)

##### Membership

Membership manages the programs for the recruitment and retention of ALEC State Legislator members. This includes liaison with the ALEC State Chairs, Private Sector State Chairs, and six State Leadership Teams. In addition, Membership provides assistance to ALEC State Chairs in raising state scholarship funds, tracking the expenditures of these funds, and ensuring that members of ALEC's leadership are operating in accordance with ALEC's policies and procedures.

##### Public Affairs

Public affairs conducts an on-going communications program that integrates all departments of ALEC to promote policies based on Jeffersonian principles among elected officials and the private sector members. Public Affairs also educates the general public on ALEC's institutional goals and objectives.

##### General and Administrative

General and administrative support implements an internal financial control and reporting system and provides timely and accurate information to management to enhance their decision-making ability.

##### Development

Development manages the programs for the recruitment and retention of Private Sector members of ALEC, which includes corporations, companies, associations, and foundations. In addition, Development conducts fundraising initiatives for conference sponsorships, Task Force membership and sponsorship, and special projects.

##### Board of Directors

Consisting of 23 currently elected state legislators, the Board of Directors is responsible for setting ALEC's goals and objectives, establishing organizational policies and procedures, approving legislative policies developed by ALEC's eight task forces, and providing oversight and stewardship of ALEC's finances. An Executive Committee, consisting of the National Chair, First Vice-Chair, Second Vice-Chair, Treasurer, Secretary, and Immediate Past National Chair, leads the Board. Members are elected to one, two and three year terms, with some positions term-limited.

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2008 and 2007**

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**7. Pension Plan**

ALEC offers a defined contribution plan under Section 401(k) of the Internal Revenue Code. Under the 401(k) plan, eligible employees may elect to contribute up to the Federal tax limitation. Eligible employees are those who have worked for ALEC for one year and are at least 21 years of age. Participants are immediately 100% vested. ALEC matches up to 25% of the participant's contributions up to a maximum of 4% of the employee's compensation. Pension expense for the year ended December 31, 2008 was \$62,202.

**8. Income Taxes**

ALEC has been classified as a public charity under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required as of December 31, 2008 as ALEC had no significant net unrelated business income.

In December 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. FSP FIN 48-3 permits an entity within its scope to defer the effective date of FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*, to its annual financial statements for fiscal years beginning after December 15, 2008. ALEC has elected this deferred application and will therefore adopt the provisions of FIN 48 for its year ending December 31, 2009. ALEC reviews and assesses all ongoing activities annually to identify any changes in the scope of the activities and revenue sources and the tax treatment thereof to identify any uncertain tax positions. Management of ALEC believes there will be no material impact to ALEC's financial statements as a result of the adoption of FIN 48.

Program Services

Supporting Services

Task Forces	Conferences	Membership	Public Affairs	Total Programs	General and Administrative	Development	Board
\$ 985,777	\$ 110,524	\$ 318,085	\$ 120,832	\$ 1,535,218	\$ 415,382	\$ 211,711	\$ 9,947
526,080	762,788	23,668	404	1,312,940	1,917	-	120,696
294,674	33,039	95,084	36,120	458,917	124,168	63,286	2,973
228,080	25,572	73,596	27,957	355,205	96,107	48,984	2,301
22,730	366,314	-	-	389,044	-	-	250
257,975	54,279	27,591	259	340,104	828	3	35,370
10,097	296,435	-	-	306,532	-	-	-
143,299	56,051	20,803	6,983	227,136	43,336	12,234	575
74,692	47,606	4,775	51,267	178,340	860	330	459
-	-	-	-	-	117,031	-	-
34,268	49,039	11,398	3,090	97,795	6,820	3,476	584
47,719	5,350	15,397	5,849	74,315	20,107	10,248	481
46,969	5,266	15,156	5,757	73,148	19,791	10,087	474
7,695	83,164	-	-	90,859	-	-	-
41,107	11,798	10,902	5,570	69,377	14,314	5,103	1,625
40,101	4,496	12,940	4,915	62,452	16,898	8,612	405
27,741	3,108	8,945	5,168	44,962	11,681	5,954	280
12,997	43,924	-	-	56,921	-	-	-
47,417	242	2,026	5,421	55,106	1,453	80	4
14,728	9,225	2,086	17,985	44,024	2,335	1,172	55
20,693	2,320	6,677	2,536	32,226	8,719	4,444	209
4,101	36,410	1,323	503	42,337	1,728	881	41
13,021	12,521	4,201	1,596	31,339	5,487	2,796	131
-	-	37,326	-	37,326	-	-	-
10,690	2,476	12,685	379	26,230	6,056	567	227
14,916	1,672	4,813	1,828	23,229	6,285	3,203	151
4,563	21,539	-	-	26,102	-	-	-
9,277	6,250	2,312	310	18,149	506	88	-
17,215	-	-	-	17,215	-	-	2,977
7,885	884	2,544	967	12,280	3,323	1,693	3,650
6,189	150	-	1,739	8,078	-	-	80
2,865	321	924	351	4,461	1,207	616	5,945
1,349	151	434	166	2,100	569	290	29
-	-	1,200	-	1,200	-	-	14
530	59	171	65	825	223	115	5
87	10	28	11	136	37	19	1
\$ 2,977,527	\$ 2,052,983	\$ 717,090	\$ 308,028	\$ 6,055,628	\$ 927,168	\$ 395,992	\$ 189,939

For Office Use Only

PMT #	2007732670
AMT	\$15, \$106
INIT	QM

**ILLINOIS CHARITABLE ORGANIZATION ANNUAL REPORT**  
 Attorney General LISA MADIGAN State of Illinois  
 Charitable Trust Bureau, 100 West Randolph  
 3rd Floor, Chicago, Illinois 60601

Form AG990-IL  
Revised 3/05

CO # 01008500

Report for the Fiscal Period:

Beginning 1 / 1 / 09

& Ending 12 / 31 / 09

Check all items attached:  
 Copy of IRS Return  
 Audited Financial Statements  
 Copy of Form IFC  
 \$15.00 Annual Report Filing Fee  
 \$100.00 Late Report Filing Fee

Make Checks Payable to the Illinois Charly Bureau Fund

Federal ID # 64-0140979

Are contributions to the organization tax deductible?  Yes  No

Date Organization was created 12 / 8 / 75

LEGAL NAME MAIL ADDRESS CITY, STATE ZIP CODE	AMERICAN LEGISLATIVE EXCHANGE COUNCIL 1101 VERMONT AVENUE, NW, 11TH FLOOR WASHINGTON, DC 20005	Year-end amounts	
		A) ASSETS	A) \$ 3,306,976
		B) LIABILITIES	B) \$ 3,111,887
		C) NET ASSETS	C) \$ 195,089
<b>I. SUMMARY OF ALL REVENUE ITEMS DURING THE YEAR:</b>		PERCENTAGE	AMOUNT
D) PUBLIC SUPPORT, CONTRIBUTIONS & PROGRAM SERVICE REV. (GROSS AMTS.)		100%	D) \$ 6,263,883
E) GOVERNMENT GRANTS & MEMBERSHIP DUES		0%	E) \$ 0
F) OTHER REVENUES		0%	F) \$ 7,750
G) TOTAL REVENUE, INCOME AND CONTRIBUTIONS RECEIVED (ADD D, E, & F)		100%	G) \$ 6,271,633
<b>II. SUMMARY OF ALL EXPENDITURES DURING THE YEAR:</b>			
H) OPERATING CHARITABLE PROGRAM EXPENSE		100%	H) \$ 5,533,961
I) EDUCATION PROGRAM SERVICE EXPENSE		0%	I) \$
J) TOTAL CHARITABLE PROGRAM SERVICE EXPENSE (ADD H & I)		100%	J) \$ 5,533,961
J1) JOINT COSTS ALLOCATED TO PROGRAM SERVICES (INCLUDED IN J): \$			N/A
K) GRANTS TO OTHER CHARITABLE ORGANIZATIONS		0%	K) \$ 15,686
L) TOTAL CHARITABLE PROGRAM SERVICE EXPENDITURE (ADD J & K)		84%	L) \$ 5,549,647
M) MANAGEMENT AND GENERAL EXPENSE		11%	M) \$ 696,450
N) FUNDRAISING EXPENSE		6%	N) \$ 364,465
O) TOTAL EXPENDITURES THIS PERIOD (ADD L, M, & N)		100%	O) \$ 6,610,562
<b>III. SUMMARY OF ALL PAID FUNDRAISER AND CONSULTANT ACTIVITIES</b> (Attach Attorney General Report of Individual Fundraising Campaign- Form IFC. One for each PFR)			
<b>PROFESSIONAL FUNDRAISERS:</b>			
P) TOTAL AMOUNT RAISED BY PAID PROFESSIONAL FUNDRAISERS		%	P) \$ 0
Q) TOTAL FUNDRAISERS FEES AND EXPENSES		%	Q) \$ 0
R) NET RECEIVED BY THE CHARITY (P MINUS Q=R)		%	R) \$ 0
<b>PROFESSIONAL FUNDRAISING CONSULTANTS:</b>			
S) TOTAL AMOUNT PAID TO PROFESSIONAL FUNDRAISING CONSULTANTS			S) \$ 0
<b>IV. COMPENSATION TO THE (3) HIGHEST PAID PERSONS SERVING THE GENERAL CHARITABLE TRUST</b>			
T) NAME, TITLE: ALAN SMITH, EXECUTIVE DIRECTOR			T) \$ 189,833
U) NAME, TITLE: MICHAEL BOWMAN, SR DIRECTOR OF POLICY AND STRATEGIC INITIATIVES			U) \$ 140,648
V) NAME, TITLE: LISA BOWEN, SR. DIRECTOR OF FINANCE & ADMIN.			V) \$ 83,253
<b>V. CHARITABLE PROGRAM DESCRIPTION: CHARITABLE PROGRAM (3 HIGHEST BY\$ EXPENDED) CODE CATEGORIES</b>		List on back side of Instructions CODE	
W) DESCRIPTION: LEGISLATIVE AND POLITICAL ACTIVITIES		W) #	100
X) DESCRIPTION:		X) #	
Y) DESCRIPTION:		Y) #	

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IF THE ANSWER TO ANY OF THE FOLLOWING IS YES, ATTACH A DETAILED EXPLANATION:		YES	NO
1. WAS THE ORGANIZATION THE SUBJECT OF ANY COURT ACTION, FINE, PENALTY OR JUDGMENT? .....	1	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. HAS THE ORGANIZATION OR A CURRENT DIRECTOR, TRUSTEE, OFFICER OR EMPLOYEE THEREOF, EVER BEEN CONVICTED BY ANY COURT OF ANY MISDEMEANOR INVOLVING THE MISUSE OR MISAPPROPRIATION OF FUNDS OR ANY FELONY? .....	2	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. DID THE ORGANIZATION MAKE A GRANT AWARD OR CONTRIBUTION TO ANY ORGANIZATION IN WHICH ANY OF ITS OFFICERS, DIRECTORS OR TRUSTEES OWNS AN INTEREST; OR WAS IT A PARTY TO ANY TRANSACTION IN WHICH ANY OF ITS OFFICERS, DIRECTORS OR TRUSTEES HAS A MATERIAL FINANCIAL INTEREST; OR DID ANY OFFICER, DIRECTOR OR TRUSTEE RECEIVE ANYTHING OF VALUE NOT REPORTED AS COMPENSATION? .....	3	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. HAS THE ORGANIZATION INVESTED IN ANY CORPORATE STOCK IN WHICH ANY OFFICER, DIRECTOR OR TRUSTEE OWNS MORE THAN 10% OF THE OUTSTANDING SHARES? .....	4.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. IS ANY PROPERTY OF THE ORGANIZATION HELD IN THE NAME OF OR COMMINGLED WITH THE PROPERTY OF ANY OTHER PERSON OR ORGANIZATION? .....	5.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. DID THE ORGANIZATION USE THE SERVICES OF A PROFESSIONAL FUNDRAISER? (ATTACH FORM IFC) ...	6.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7a. DID THE ORGANIZATION ALLOCATE THE COST OF ANY SOLICITATION, MAILING, ADVERTISEMENT OR LITERATURE COSTS BETWEEN PROGRAM SERVICE AND FUNDRAISING EXPENSES? .....	7	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7b. IF "YES", ENTER (i) THE AGGREGATE AMOUNT OF THESE JOINT COSTS \$ _____; (ii) THE AMOUNT ALLOCATED TO PROGRAM SERVICES \$ _____, (iii) THE AMOUNT ALLOCATED TO MANAGEMENT AND GENERAL \$ _____, AND (iv) THE AMOUNT ALLOCATED TO FUNDRAISING \$ _____			
8. DID THE ORGANIZATION EXPEND ITS RESTRICTED FUNDS FOR PURPOSES OTHER THAN RESTRICTED PURPOSES? .....	8.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. HAS THE ORGANIZATION EVER BEEN REFUSED REGISTRATION OR HAD ITS REGISTRATION OR TAX EXEMPTION SUSPENDED OR REVOKED BY ANY GOVERNMENTAL AGENCY? .....	9.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10. WAS THERE OR DO YOU HAVE ANY KNOWLEDGE OF ANY KICKBACK, BRIBE, OR ANY THEFT, DEIFICATION MISAPPROPRIATION, COMMINGLING OR MISUSE OF ORGANIZATIONAL FUNDS? .....	10.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. LIST THE NAME, ADDRESS AND THE ACCOUNT # OF THE FINANCIAL INSTITUTIONS WHERE THE ORGANIZATION MAINTAINS ITS THREE LARGEST ACCOUNTS: <u>SUNTRUST BANK, 1445 NEW YORK AVE., NW, #1, WASHINGTON, DC 20005</u>			
12. NAME AND TELEPHONE NUMBER OF CONTACT PERSON: <u>MICHELLE SHOWALTER, COMPLIANCE SPECIALIST 480-699-8270</u>			

ALL ATTACHMENTS MUST ACCOMPANY THIS REPORT - SEE INSTRUCTIONS

UNDER PENALTY OF PERJURY, I (WE) THE UNDERSIGNED DECLARE AND CERTIFY THAT I (WE) HAVE EXAMINED THIS ANNUAL REPORT AND THE ATTACHED DOCUMENTS, INCLUDING ALL THE SCHEDULES AND STATEMENTS AND THE FACTS THEREIN STATED ARE TRUE AND COMPLETE AND FILED WITH THE ILLINOIS ATTORNEY GENERAL FOR THE PURPOSE OF HAVING THE PEOPLE OF THE STATE OF ILLINOIS RELY THEREUPON. I HEREBY FURTHER AUTHORIZE AND AGREE TO SUBMIT MYSELF AND THE REGISTRANT HEREBY TO THE JURISDICTION OF THE STATE OF ILLINOIS.

**BE SURE TO INCLUDE ALL FEES DUE:**

- 1.) REPORTS ARE DUE WITHIN SIX MONTHS OF YOUR FISCAL YEAR END.
- 2.) FOR FEES DUE SEE INSTRUCTIONS.
- 3.) REPORTS THAT ARE LATE OR INCOMPLETE ARE SUBJECT TO A \$100.00 PENALTY.

Form **990**

# 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

**2009**

Open to Public Inspection

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 2009 calendar year, or tax year beginning and ending

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type.  See Specific Instructions.	<b>C</b> Name of organization <b>American Legislative Exchange Council</b>		<b>D</b> Employer identification number <b>52-0140979</b>
		Doing Business As		<b>E</b> Telephone number <b>202-466-3800</b>
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>1101 Vermont Ave., NW, 11th Floor</b>	<b>G</b> Gross receipts \$ <b>6,271,633.</b>	
		City or town, state or country, and ZIP + 4 <b>Washington, DC 20005-3515</b>	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		<b>F</b> Name and address of principal officer: <b>Mr. Ron Scheberle same as C above</b>	H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No	
		<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	If "No," attach a list. (see instructions)	
		<b>J</b> Website: <b>www.alec.org</b>	H(c) Group exemption number ▶	
		<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	<b>L</b> Year of formation: <b>1975</b> <b>M</b> State of legal domicile: <b>IL</b>	

**Summary**

<b>Activities &amp; Governance</b>	1	Briefly describe the organization's mission or most significant activities: <b>Assist State Legislators, Congress &amp; the public by sharing research and educational info.</b>		
	2	Check this box <input type="checkbox"/> If the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	23
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	23
	5	Total number of employees (Part V, line 2a)	5	42
	6	Total number of volunteers (estimate if necessary)	6	26
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	12,150.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
<b>Revenue</b>	8	Contributions and grants (Part VIII, line 1h)	Prior Year 5,626,129.	Current Year 5,302,779.
	9	Program service revenue (Part VIII, line 2g)	1,309,768.	961,104.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	39,325.	7,750.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6,975,222.	6,271,633.
<b>Expenses</b>	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	26,102.	15,686.
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,674,855.	2,490,496.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>364,465.</b>		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	4,736,675.	4,104,380.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	7,437,632.	6,610,562.
19	Revenue less expenses. Subtract line 18 from line 12	<462,410.>	<338,929.>	
<b>Net Assets or Fund Balances</b>	20	Total assets (Part X, line 16)	Beginning of Current Year 3,391,001.	End of Year 3,306,976.
	21	Total liabilities (Part X, line 26)	2,856,983.	3,111,887.
	22	Net assets or fund balances. Subtract line 21 from line 20	534,018.	195,089.

**Part III Signature Block**

Sign Here

Paid Preparer's Use Only

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

032001 02-04-10 LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions Form 990 (2009)

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Part III Statement of Program Service Accomplishments

- 1 Briefly describe the organization's mission: See Schedule O for Continuation  
The American Legislative Exchange Council's mission is to advance the Jeffersonian principles of free markets, limited government, federalism, and individual liberty, through a non-partisan, public-private partnership between America's state legislators and
- 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 \$ 2,634,723. Including grants of \$ 111.) (Revenue \$ 31,905.)  
 Task Forces - ALEC's policy Task Forces provide a forum for legislators and the private sector to discuss issues, develop policies, and draft model legislation. The Task Forces include the following: Public Safety and Elections; Civil Justice; Education; Natural Resources; Commerce, Insurance and Economic Development; Telecommunications and Information Technology; Health and Human Services; Tax and Fiscal Policy; and International Relations.

4b (Code: ) (Expenses \$ 1,955,457. Including grants of \$ 15,575.) (Revenue \$ 844,448.)  
 Conferences - ALEC holds national conferences, providing workshops on current issues with leading experts, public figures and elected officials. The three national conferences held during 2009 were the Spring Task Force Summit, Annual Meeting and States and National Policy Summit.

4c (Code: ) (Expenses \$ 664,886. Including grants of \$ ) (Revenue \$ 82,981.)  
 Membership - Membership manages the programs for the recruitment and retention of ALEC State Legislator members. This includes liaison with the ALEC State Chairs, Private Sector State Chairs, and six State Leadership Teams. In addition, Membership provides assistance to ALEC State Chairs in raising state scholarship funds, tracking the expenditures of these funds, and ensuring that members of ALEC's leadership are operating in accordance with ALEC's policies and procedures.

4d Other program services. (Describe in Schedule O.)  
 (Expenses \$ 294,581. Including grants of \$ ) (Revenue \$ 1,770.)

4e Total program service expenses \$ 5,549,647.

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Part V Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(e)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
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>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. 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>		
6	Did the organization maintain any donor advised funds or any similar funds or 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>		X
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>		X
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>		X
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>		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>		
	• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		
	• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
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>		X
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>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

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

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II .....		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III .....	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J .....	X	
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? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25 .....		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
24b		
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? .....		
24c		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
24d		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I .....		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I .....		X
25b		
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? If "Yes," complete Schedule L, Part II .....		X
26		
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III .....		X
27		
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV .....		X
28a		
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV .....		X
28b		
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV .....		X
28c		
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M .....		X
29		
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M .....		X
30		
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I .....		X
31		
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II .....		X
32		
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I .....		X
33		
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1 .....		X
34		
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 .....		X
35		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 .....		X
36		
37 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? If "Yes," complete Schedule R, Part VI .....		X
37		
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O. ....	X	
38		

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Part VII Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
1a			17
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		0
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		42
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
4a	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)?		X
b	If "Yes," enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		7d
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required? N/A		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? N/A		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? N/A		
9	Sponsoring organizations maintaining donor advised funds. N/A		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter: N/A		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter: N/A		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? N/A	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

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Part VII Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows 1a-9. 1a: 23, 1b: 23. 2: No, 3: No, 4: No, 5: No, 6: No, 7a: No, 7b: No, 8a: No, 8b: No, 9: No.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows 10a-16b. 10a: No, 10b: No, 11: No, 12a: No, 12b: No, 12c: No, 13: No, 14: No, 15a: No, 15b: No, 16a: No, 16b: No.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed AK, AL, AR, AZ, CA, CO, CT, FL, GA, IL, KS, KY
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection.
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: The Organization - 202-466-3800 1101 Vermont Ave., NW, 11th FL, Washington, DC 20005

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**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

• List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation: Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's current key employees. See instructions for definition of "key employee."

• List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any current officer, director, or trustee.

(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			
Speaker Bill Howell National Chair	1.00	X		X				0.	0.	0.
Rep. Tom Craddick First Vice Chair	1.00	X		X				0.	0.	0.
Rep. Noble Ellington Second Vice Chair	1.00	X		X				0.	0.	0.
Rep. Dave Frizzell Treasurer	1.00	X		X				0.	0.	0.
Rep. Phil Montgomery Secretary	1.00	X		X				0.	0.	0.
Sen. Steve Faris Immediate Past Chair	1.00	X		X				0.	0.	0.
Rep. Liston Barfield Director	1.00	X						0.	0.	0.
Sen. Curt Bramble Director	1.00	X						0.	0.	0.
Rep. Harold J. Brubaker Director	1.00	X						0.	0.	0.
Sen. Bob Burns Director	1.00	X						0.	0.	0.
Sen. Jane Cunningham Director	1.00	X						0.	0.	0.
Rep. Bill Hamzy Director	1.00	X						0.	0.	0.
Sen. Billy Hewes, III Director	1.00	X						0.	0.	0.
Sen. Owen H. Johnson Director	1.00	X						0.	0.	0.
Rep. Steve McDaniel Director	1.00	X						0.	0.	0.
Rep. Dolores Mertz Director	1.00	X						0.	0.	0.
Rep. John Piscopo Director	1.00	X						0.	0.	0.

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(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			
Sen. Bill Raggio Director	1.00	X					0.	0.	0.	
Sen. Dean A. Rhoads Director	1.00	X					0.	0.	0.	
Sen. Val A. Stevens Director	1.00	X					0.	0.	0.	
Rep. Curry Todd Director	1.00	X					0.	0.	0.	
Rep. Linda Upmeyer Director	1.00	X					0.	0.	0.	
Sen. Susan Wagle Director	1.00	X					0.	0.	0.	
Alan B. Smith Executive Director	37.50			X			189,833.	0.	22,834.	
Lisa Bowen Sr. Dir of Finance/Admin	37.50			X			83,253.	0.	16,904.	
Michael Bowman Sr. Dir of Policy/Strat.	37.50					X	140,648.	0.	19,817.	
<b>1b Total</b>							<b>413,734.</b>	<b>0.</b>	<b>59,555.</b>	

Not Done

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization 2

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
Accent on the Children, 615 Barrone Street, #303, New Orleans, LA 70113	Childcare/Meeting	251,873.
CMI, 200 Mile Crossing Blvd., Rochester, NY 14624	Audio Visual	247,392.

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2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization 2

**Part VIII Statement of Revenue**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	5,302,779.			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		5,302,779.			
Program Service Revenue	2 a	Conferences/seminars	Business Code 900099	862,073.	862,073.		
	b	Membership Dues	900099	82,981.	82,981.		
	c	Advertising	541800	12,150.		12,150.	
	d	Publications	900099	3,900.	3,900.		
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		961,104.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		7,750.			7,750.
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross Rents	(i) Real (ii) Personal				
		Less: rental expenses					
		Rental income or (loss)					
		Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
		Less: cost or other basis and sales expenses					
		Gain or (loss)					
		Net gain or (loss)					
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
		Less: direct expenses	b				
		Net income or (loss) from fundraising events					
	9 a	Gross income from gaming activities. See Part IV, line 19	a				
Less: direct expenses		b					
Net income or (loss) from gaming activities							
10 a	Gross sales of inventory, less returns and allowances	a					
	Less: cost of goods sold	b					
	Net income or (loss) from sales of inventory						
Miscellaneous Revenue			Business Code				
11 a							
	b						
	c						
	d	All other revenue					
	e	Total. Add lines 11a-11d					
12	Total revenue. See instructions.		6,271,633.	948,954.	12,150.	7,750.	

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**Part X 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).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(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				
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	15,686.	15,686.		
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	312,824.	234,618.	46,924.	31,282.
6	Compensation not included above, to disqualified persons (as defined under section 4958(l)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	1,755,460.	1,277,162.	302,687.	175,611.
8	Pension plan contributions (Include section 401(k) and section 403(b) employer contributions)	52,120.	39,130.	7,632.	5,358.
9	Other employee benefits	214,908.	161,347.	31,468.	22,093.
10	Payroll taxes	155,184.	116,539.	22,581.	16,064.
11	Fees for services (non-employees):				
a	Management	26,627.	21,442.	3,046.	2,139.
b	Legal	57,402.	43,098.	8,403.	5,901.
c	Accounting				
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees			237.	
g	Other	137,766.	137,529.		
12	Advertising and promotion	3,718.	3,718.		
13	Office expenses	424,349.	397,634.	17,698.	9,017.
14	Information technology	116,912.	88,081.	16,938.	11,893.
15	Royalties				
16	Occupancy	650,902.	488,696.	95,293.	66,913.
17	Travel	269,237.	245,143.	24,094.	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	2,026,119.	1,940,307.	85,746.	66.
20	Interest	12,127.	9,105.	1,776.	1,246.
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	129,997.	97,603.	19,030.	13,364.
23	Insurance	32,722.	26,125.	3,875.	2,722.
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	Bad debt expense	100,000.	100,000.		
b	Subscriptions/research	31,424.	31,222.	119.	83.
c	Honoraria/writers fees	29,000.	29,000.		
d	Dues/memberships	24,664.	19,799.	4,862.	3.
e	Artwork/graphics	24,288.	21,473.	2,815.	
f	All other expenses	7,126.	5,190.	1,226.	710.
25	<b>Total functional expenses. Add lines 1 through 24f</b>	<b>6,610,562.</b>	<b>5,549,647.</b>	<b>696,450.</b>	<b>364,465.</b>
26	Joint costs. 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 ...				

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Part II Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	8,115.	1	524,501.
	2	Savings and temporary cash investments	1,816,176.	2	1,151,672.
	3	Pledges and grants receivable, net	805,236.	3	931,944.
	4	Accounts receivable, net	1,181.	4	1,682.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	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		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	100,897.	9	154,212.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 1,613,282.		
	b	Less: accumulated depreciation	10b 1,073,271.	10c 656,442.	540,011.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	2,954.	15	2,954.
16	<b>Total assets. Add lines 1 through 15 (must equal line 34)</b>	3,391,001.	16	3,306,976.	
Liabilities	17	Accounts payable and accrued expenses	612,486.	17	640,382.
	18	Grants payable		18	
	19	Deferred revenue	178,808.	19	241,416.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	175,000.	23	374,709.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	1,890,689.	25	1,855,380.
	26	<b>Total liabilities. Add lines 17 through 25</b>	2,856,983.	26	3,111,887.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	<640,980.>	27	<1,010,961.>
	28	Temporarily restricted net assets	1,174,998.	28	1,206,050.
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	<b>Total net assets or fund balances</b>	534,018.	33	195,089.	
34	<b>Total liabilities and net assets/fund balances</b>	3,391,001.	34	3,306,976.	

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Part X Financial Statements and Reporting

1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 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?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

Separate basis  Consolidated basis  Both consolidated and separate basis

3a 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?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c		X
3a		X
3b		

Form 990 (2009)

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**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

**2009**

Open to Public Inspection

Name of the organization  
**American Legislative Exchange Council**

Employer identification number  
**52-0140979**

**Part** Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vii). (Complete Part II.)
- 9  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 exempt 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). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I      b  Type II      c  Type III - Functionally Integrated      d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f  If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box \_\_\_\_\_
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (i) and (ii) below, the governing body of the supported organization? .....	11g(i)	
(ii) A family member of a person described in (i) above? .....	11g(ii)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above? .....	11g(iii)	
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

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

Schedule A (Form 990 or 990-EZ) 2009  
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(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	5215031.	5775598.	6130496.	5626129.	5187554.	27934808.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3 .....	5215031.	5775598.	6130496.	5626129.	5187554.	27934808.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						2154084.
6 Public support. Subtract line 5 from line 4.						25780724.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4 .....	5215031.	5775598.	6130496.	5626129.	5187554.	27934808.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...	32,612.	58,118.	489,467.	39,325.	7,750.	627,272.
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
11 Total support. Add lines 7 through 10						28562080.
12 Gross receipts from related activities, etc. (see instructions) .....					12	5,956,945.
13 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 .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) .....	14	90.26	%
15 Public support percentage from 2008 Schedule A, Part II, line 14 .....	15	90.22	%
16a 33 1/3% support test - 2009. 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 .....	<input checked="" type="checkbox"/>		
b 33 1/3% support test - 2008. 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 .....	<input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2009. 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 "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 .....	<input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2008. 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 .....	<input type="checkbox"/>		
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 .....	<input type="checkbox"/>		

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**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**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
3 Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
5 The value of services or facilities furnished by a governmental unit to the organization without charge .....						
6 Total. Add lines 1 through 5 .....						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
c Add lines 7a and 7b .....						
8 Public support (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6 .....						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
c Add lines 10a and 10b .....						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
13 Total support (Add lines 9, 10c, 11, and 12.)						

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**

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f)) .....	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 16 .....	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f)) .....	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17 .....	18	%

19a 33 1/3% support tests - 2009. 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. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2008. 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. The organization qualifies as a publicly supported organization

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

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**Schedule D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2009**

Open to Public Inspection

Name of the organization

American Legislative Exchange Council

Employer identification number  
52-0140979

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

	(a) Donor advised funds	(b) Funds and other accounts
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 and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply):

Preservation of land for public use (e.g., recreation or pleasure)       Preservation of an historically important land area

Protection of natural habitat       Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06 .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

Yes  No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part V Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 .....
- (ii) Assets included in Form 990, Part X .....
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 .....
- b Assets included in Form 990, Part X .....

**COPY**

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

3 Using the organization's acquisition, 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 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:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

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 the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and 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  %
- b Permanent endowment  %
- c Term endowment  %

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

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

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.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		354,101.	60,898.	293,203.
d Equipment		1,009,854.	817,239.	192,615.
e Other		249,327.	195,134.	54,193.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				540,011.

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Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives .....		
Closely-held equity interests .....		
Other .....		
<b>Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶</b>		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

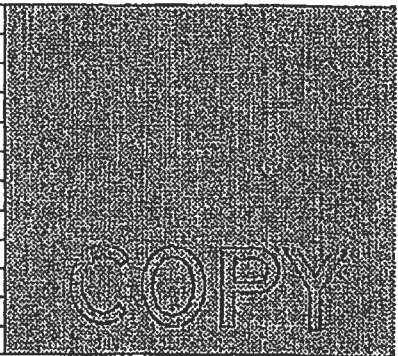
(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
<b>Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶</b>		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
<b>Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶</b>	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	
Capital lease obligations	46,083.
Scholarship funds held as agent	1,042,629.
Deferred rent and lease benefit	766,668.
<b>Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶</b>	1,855,380.



2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part IX Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	6,271,633.
2	Total expenses (Form 990, Part IX, column (A), line 25)	6,610,562.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	<338,929.>
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV.)	
9	Total adjustments (net). Add lines 4 through 8	0.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	<338,929.>

Part X Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	6,329,589.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:	
a	Net unrealized gains on investments	2a
b	Donated services and use of facilities	2b 57,956.
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV.)	2d
e	Add lines 2a through 2d	2e 57,956.
3	Subtract line 2e from line 1	3 6,271,633.
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
b	Other (Describe in Part XIV.)	4b
c	Add lines 4a and 4b	4c 0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5 6,271,633.

Part XI Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	6,668,518.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:	
a	Donated services and use of facilities	2a 57,956.
b	Prior year adjustments	2b
c	Other losses	2c
d	Other (Describe in Part XIV.)	2d
e	Add lines 2a through 2d	2e 57,956.
3	Subtract line 2e from line 1	3 6,610,562.
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
b	Other (Describe in Part XIV.)	4b
c	Add lines 4a and 4b	4c 0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5 6,610,562.

**Part XII 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, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

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SCHEDULE I (Form 990)

Department of the Treasury Internal Revenue Service

OMB No. 1545-0047

2009

Open to Public Inspection

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States  
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22. Attach to Form 990.

Name of the organization: American Legislative Exchange Council  
Employer identification number: 52-0140979

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No  
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation, (g) Description of non-cash assistance, (h) Purpose of grant or assistance.

3 Enter total number of section 501(c)(3) and government organizations  
4 Enter total number of other organizations

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

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Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Part IV and 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
Thomas Jefferson Freedom Award	1	1,350.	0.		
Adam Smith Free Enterprise Award	1	1,650.	0.		
William J. Raggio for Excellence in Leadership	1	1,250.	0.		
Warren Brookes Award for Excellence in Journalism	1	1,850.	0.		
International Legislator of the Year Award	1	395.	0.		

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

Schedule I, Part I, Line 2: Grant funds are evaluated on a grant by grant basis. Grant documentation is reviewed by senior managers prior to being sent out. Once approved, any grant that is given for a direct purpose is reviewed on a consistent basis to ensure the grantee remains in compliance with requested documents.

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(e) 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
Legislator of the Year Award	9	3,555.	0.		
Private Sector Member of the Year Award	4	1,580.	0.		
Volunteer of the Year Award	3	450.	0.		

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**SCHEDULE J  
(Form 990)**

**Compensation Information**

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

CMB No. 1345-0047

**2009**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization

**American Legislative Exchange Council**

Employer identification number

**52-0140979**

**Part III 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 any of the boxes on line 1a are 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 checked="" type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                               |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" 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, with respect to the filing organization or a related organization:

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

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

**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? ..... **5a** X
- b** Any related organization? ..... **5b** X
- 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? ..... **6a** X
- b** Any related organization? ..... **6b** X
- 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 .....

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

	Yes	No
1b		
2		
4a	X	
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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Schedule J (Form 990) 2009

**COPY**

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)-(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) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Alan B. Smith	(i) 189,833			6,387	16,447	212,667	
Michael Bowman	(ii) 140,648			5,686	14,131	160,465	

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Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Part I, Line 4a: Alan Smith, Executive Director received a total severance package of \$62,417 of which \$7,802 was paid as of December 31, 2009.

Multiple horizontal lines for supplemental information.

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SCHEDULE O  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public  
Inspection

Name of the organization

American Legislative Exchange Council

Employer identification number  
52-0140979

Form 990, Part III, Line 1, Description of Organization Mission:

concerned members of the private sector, the federal government and the  
general public.

Form 990, Part III, Line 4d, Other Program Services:

Public Affairs

Expenses \$ 294581. including grants of \$ 0. Revenue \$ 1770.

Form 990, Part VI, Section A, line 6: In accordance with the bylaws of  
ALEC, full membership shall be open to persons dedicated to the  
preservation of individual liberty, basic American values and institutions,  
productive free enterprise, and limited representative government, who  
support the purposes of ALEC, and who serve, or formerly served as members  
of a state or territorial legislature, the United States Congress or  
similar bodies outside the United States.

Form 990, Part VI, Section A, line 7a: Directors are elected at each  
annual meeting. The Board shall consist of 23 members of which 18  
directors are nominated and elected by the Board of Directors. Three  
Directors shall be nominated by the Board of Directors from a list of six  
nominees supplied by the State Chair, one of whom shall be the Chair of the  
State Chairs. Two Directors shall be elected by the Board of Directors  
from a list of four nominees supplied by the Task Force chairs, all four of  
whom shall be Task Force public sector chairs.

Form 990, Part VI, Section B, line 11: The Senior Director of Finance

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932211  
02-03-10

Schedule O (Form 990) 2009

SCHEDULE O  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public  
Inspection

Name of the organization

American Legislative Exchange Council

Employer identification number  
52-0140979

reviews ALEC's Form 990. Such review takes place upon receipt of the draft Form 990 received from the independent public accounting firm who conducts the financial statement audit of ALEC. The review involves comparison of financial data in the Form 990 with the audited financial statements and review of all narrative information for accuracy and completeness. The Executive Director of ALEC then reviews the Form 990. Prior to filing, the complete Form 990 is provided to the Finance Committee of ALEC.

Form 990, Part VI, Section B, Line 15: ALEC compares current salary rates with other non-profits by reviewing various Federal Form 990's to ensure the rates are competitive. Once compensation is determined for top management officials, officers, and key employees, the board of directors reviews and approves the rates prior to any change in compensation taking effect.

Form 990, Part VI, Line 17, List of States receiving copy of Form 990:

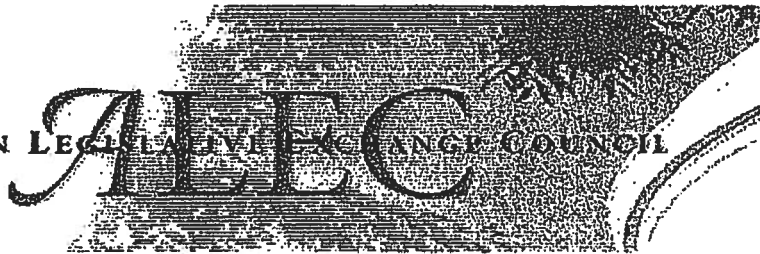
AK, AL, AR, AZ, CA, CO, CT, FL, GA, IL, KS, KY, LA, MA, MD, ME, MI, MN, MS, NC, ND, NH, NJ, NM, NY  
OH, OK, OR, PA, RI, SC, TN, UT, VA, WA, WI, WV

Form 990, Part VI, Section C, Line 19: ALEC makes these documents available upon request.

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AMERICAN LEGISLATIVE EXCHANGE COUNCIL



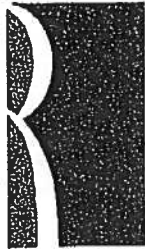
**Financial Statements**

*For The Years Ended December 31, 2009 and 2008*



**and  
Report Thereon**





## INDEPENDENT AUDITOR'S REPORT

**RAFFA**

To the Board of Directors of the  
American Legislative Exchange Council

**CONSULTING  
ACCOUNTING  
TECHNOLOGY**

*Certified Public  
Accountants*

We have audited the accompanying statements of financial position of the American Legislative Exchange Council (ALEC) as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of ALEC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ALEC's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Legislative Exchange Council as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of functional expenses for the years ended December 31, 2009 and 2008 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in relation to the basic financial statements taken as a whole.

  
RAFFA, P.C.

Washington, DC  
June 14, 2010

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,577,173	\$ 1,824,291
Investment	99,000	-
Accounts receivable	1,682	1,181
Contributions receivable, net of allowance of \$102,850 and \$105,000 as of December 31, 2009 and 2008, respectively	931,944	805,236
Prepaid expenses	154,212	100,897
Deposits	2,954	2,954
Property and equipment, net	<u>540,011</u>	<u>656,442</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,306,976</u>	<u>\$ 3,391,001</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 640,382	\$ 612,486
Line of credit	374,709	175,000
Scholarship funds held as agent	1,042,629	1,053,457
Deferred member dues	229,216	172,408
Refundable advances	12,200	6,400
Deferred rent and lease benefit	766,668	772,576
Capital lease obligations	<u>46,083</u>	<u>64,656</u>
<b>Total Liabilities</b>	<u>3,111,887</u>	<u>2,856,983</u>
<b>Net Assets</b>		
Unrestricted (deficit)	(1,010,961)	(640,980)
Temporarily restricted	<u>1,206,050</u>	<u>1,174,998</u>
<b>Total Net Assets</b>	<u>195,089</u>	<u>534,018</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 3,306,976</u>	<u>\$ 3,391,001</u>

The accompanying notes are an integral part of these financial statements.

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**STATEMENTS OF ACTIVITIES**

For the Years Ended December 31, 2009 and 2008

	2009		2008	
	Unrestricted	Temporarily Restricted	Total	Total
<b>SUPPORT AND REVENUE</b>				
Conferences	\$ 2,039,448	\$ 145,000	\$ 2,184,448	\$ 2,775,292
General support	1,676,836	499,000	2,175,836	1,851,065
Task forces	1,274,668	487,050	1,761,718	1,957,373
Membership dues	82,981	-	82,981	93,387
Donated goods and services	57,956	-	57,956	131,095
International project	55,000	-	55,000	256,000
Interest	7,750	-	7,750	39,325
Publications	3,900	-	3,900	2,780
Net assets released from restrictions:				
Satisfaction of time restrictions	720,648	(720,648)	-	-
Satisfaction of program restrictions	379,350	(379,350)	-	(1,381,750)
<b>TOTAL SUPPORT AND REVENUE</b>	<b>6,298,537</b>	<b>31,052</b>	<b>6,329,589</b>	<b>7,106,317</b>
<b>EXPENSES</b>				
Program Services				
Task forces	2,654,573	-	2,654,573	2,977,527
Conferences	1,993,563	-	1,993,563	2,052,983
Membership	664,886	-	664,886	717,090
Public affairs	294,581	-	294,581	308,028
Total Program Services	<b>5,607,603</b>	<b>-</b>	<b>5,607,603</b>	<b>6,055,628</b>
Supporting Services				
General and administrative	564,524	-	564,524	927,168
Development	364,465	-	364,465	395,992
Board of Directors	131,926	-	131,926	189,939
Total Supporting Services	<b>1,060,915</b>	<b>-</b>	<b>1,060,915</b>	<b>1,513,099</b>
<b>TOTAL EXPENSES</b>	<b>6,668,518</b>	<b>-</b>	<b>6,668,518</b>	<b>7,568,727</b>
<b>CHANGE IN NET ASSETS</b>	<b>(369,981)</b>	<b>31,052</b>	<b>(338,929)</b>	<b>(462,410)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>(640,980)</b>	<b>1,174,998</b>	<b>534,018</b>	<b>996,428</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ (1,010,961)</b>	<b>\$ 1,206,050</b>	<b>\$ 195,089</b>	<b>\$ 534,018</b>

The accompanying notes are an integral part of these financial statements.

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2009 and 2008  
Increase (Decrease) in Cash and Cash Equivalents

	<u>2009</u>	<u>2008</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (338,929)	\$ (462,410)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Provision for doubtful accounts	(2,150)	43,500
Depreciation and amortization	129,997	105,151
Amortization of deferred lease benefit	46,063	46,063
Changes in assets and liabilities:		
Accounts receivable	(501)	1,209
Contributions receivable	(124,558)	322,587
Prepaid expenses	(53,315)	(41,226)
Deposits	-	53,273
Accounts payable and accrued expenses	27,896	(19,244)
Scholarships funds held as agent	(10,828)	96,981
Deferred member dues	56,808	(5,602)
Refundable advances	5,800	6,100
Deferred rent and lease benefit	(51,971)	726,513
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<u>(315,688)</u>	<u>872,895</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(99,000)	-
Purchases of property and equipment	(13,566)	(478,945)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(112,566)</u>	<u>(478,945)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings under line of credit	300,024	-
Payments on line of credit	(100,315)	(225,000)
Payments on capital lease obligations	(18,573)	(11,526)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<u>181,136</u>	<u>(236,526)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(247,118)</u>	<u>157,424</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,824,291</u>	<u>1,666,867</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,577,173</u>	<u>\$ 1,824,291</u>
<b>NONCASH FINANCING ACTIVITIES</b>		
Equipment purchased under capital lease agreements	\$ -	\$ 71,020
Obligation incurred under capital lease agreements	-	(71,020)
<b>Net Cash Outlay</b>	<u>\$ -</u>	<u>\$ -</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Actual cash payments for interest	<u>\$ 12,127</u>	<u>\$ 23,268</u>

The accompanying notes are an integral part of these financial statements.

## AMERICAN LEGISLATIVE EXCHANGE COUNCIL

### NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2009 and 2008

#### 1. Organization and Summary of Significant Accounting Policies

##### Organization

The American Legislative Exchange Council (ALEC) is a non-profit educational entity, incorporated in December 1975, under the laws of the State of Illinois. Its mission is to assist State Legislators, Members of Congress, and the general and business public by sharing research and educational information. These activities are funded primarily through sponsorships and contributions from the private sector and membership dues.

##### Cash Equivalents

Cash equivalents include highly liquid investments with original maturities of three months or less.

##### Investment

The investment consists of a certificate of deposit with an original maturity of greater than three months. The certificate of deposit is recorded in the accompanying financial statements at its fair market value.

##### Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. As of December 31, 2009 and 2008, all contributions receivable were due to be collected within one year. ALEC uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific contributions.

##### Property and Equipment and Related Depreciation and Amortization

Property and equipment are recorded at cost. Depreciation on furniture and equipment is provided for on a straight-line basis over the estimated useful lives of the assets, which range from 3 to 7 years. Leasehold improvements and equipment under capital leases are amortized using the straight-line method over the lesser of the lease term or the estimated useful life of the asset. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation and amortization and any gain or loss is reflected in income or expense in the accompanying statements of activities. Major additions are capitalized while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

# AMERICAN LEGISLATIVE EXCHANGE COUNCIL

## NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2009 and 2008

### 1. Organization and Summary of Significant Accounting Policies (continued)

#### Scholarship Funds Held as Agent

Funds for scholarships received by ALEC on behalf of State Legislators in agency transactions are reported as scholarship funds held as agent. Scholarships are payable, upon approval by the relevant State Chair, to State Legislators to reimburse them for travel expenses incurred attending meetings of ALEC. The amount received and disbursed by ALEC for this scholarship program is not considered revenue and expense of ALEC as the State Chair retains the exclusive right to approve scholarships.

#### Net Assets

The net assets of ALEC are reported as follows:

- Unrestricted net assets represent funds that are available for support of ALEC's operations.
- Temporarily restricted net assets represent amounts that are subject to donor-imposed restrictions to be used for a particular purpose or within a specific time period.

#### Fair Value of Financial Instruments

In accordance with the fair value measurements and disclosures topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), ALEC has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

As of and for the years ended December 31, 2009 and 2008, ALEC's assets and liabilities which are measured at fair value on a recurring basis include its investment in a certificate of deposit. This investment was valued by ALEC using quoted prices for similarly structured securities from fixed income vendors (Level 2).

## AMERICAN LEGISLATIVE EXCHANGE COUNCIL

### NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2009 and 2008

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#### 1. Organization and Summary of Significant Accounting Policies (continued)

##### Revenue Recognition

Revenue and the related costs of the annual conference, meetings and workshops are recognized in the year in which the conference, meetings or workshops are held and are reported as conference revenue in the accompanying statements of activities.

General support and task forces support are considered to be contributions available for unrestricted use unless specifically restricted by the donor. ALEC reports gifts of cash and other assets that are received with donor stipulations limiting the use of the donated assets as unrestricted support if all such donor restrictions are met in the year the award is received. Gifts of cash and other assets that are received with donor stipulations limiting the use of the donated assets are reported as temporarily restricted if such donor stipulations are not fully met in the year the award is received. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

Legislative membership dues are recognized as revenue in the membership period to which the dues relate. Accordingly, dues paid by legislator members in advance of the membership period are reported as deferred member dues in the accompanying statements of financial position.

Legacy dues are a lifetime membership offered by ALEC to the first fifty applicants. Members may attend all future meetings and conferences of ALEC at no additional cost, a benefit which may exceed the legacy dues fee. Legacy membership dues received are recognized as deferred member dues in the accompanying statements of financial position and revenue is recognized over the estimated average life expectancy of the member. Revenue recognized under this program is included in general support in the accompanying statements of activities.

##### Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated proportionately among the programs and supporting services to which they relate on the basis of direct labor costs.



**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2009 and 2008**

**1. Organization and Summary of Significant Accounting Policies (continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain 2008 amounts have been reclassified to conform with the 2009 presentation.

**2. Property and Equipment**

ALEC held the following property and equipment as of December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Furniture and equipment	\$1,182,528	\$1,169,718
Leasehold improvements	354,101	354,101
Equipment under capital leases	<u>76,653</u>	<u>77,919</u>
Total property and equipment	1,613,282	1,601,738
Less: Accumulated depreciation and amortization	<u>(1,073,271)</u>	<u>(945,296)</u>
Net property and equipment	<u>\$ 540,011</u>	<u>\$ 656,442</u>

Depreciation expense for the years ended December 31, 2009 and 2008 was \$129,997 and \$105,151, respectively.

Continued

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2009 and 2008**

**3. Temporarily Restricted Net Assets**

Temporarily restricted net assets are restricted due to time and program restrictions. The funds listed below are solicited in conjunction with conferences and events associated with the projects listed. All such temporarily restricted funds as of December 31, 2009 are available for use during the year ending December 31, 2010 and all such temporarily restricted funds as of December 31, 2008 were available for use during the year ended December 31, 2009. As of December 31, 2009 and 2008, temporarily restricted net assets were restricted as follows:

	<u>2009</u>	<u>2008</u>
General support	\$ 499,000	\$ 513,148
Task forces	507,050	509,350
Conferences	<u>200,000</u>	<u>152,500</u>
Total Temporarily Restricted Net Assets	<u>\$1,206,050</u>	<u>\$1,174,998</u>

**4. Commitments**

Operating Lease

Effective January 1, 2008, ALEC entered into a new operating lease for office space which will expire in December 2017. Monthly rental payments are subject to increases of two and a half percent of the base rent throughout the term of the agreement. The lease also provided for a rental abatement for the first three months of the lease and included a tenant improvement allowance of up to \$45 per square foot or a combination of tenant improvements and additional credits towards base rental obligations as an incentive to enter into the lease. ALEC received a total of \$460,625 for tenant improvements and \$142,060 of credits towards base rental obligations beyond the first three months during the year ended December 31, 2008.

Continued

AMERICAN LEGISLATIVE EXCHANGE COUNCIL

NOTES TO FINANCIAL STATEMENTS  
For the Years Ended December 31, 2009 and 2008

4. Commitments (continued)

Operating Lease (continued)

Under accounting principles generally accepted in the United States of America, all fixed rent increases, less any rental abatements, and all lease incentives, are recognized on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as deferred rent and lease benefit in the accompanying statements of financial position.

Rent expense for the years ended December 31, 2009 and 2008 was \$650,902 and \$649,344, respectively.

Future minimum lease payments required under this operating lease are as follows:

<u>For the Year Ending</u> <u>December 31,</u>	
2010	\$ 671,633
2011	688,424
2012	705,634
2013	741,149
2014	759,678
Thereafter	<u>2,394,896</u>
Total	<u>\$ 5,961,414</u>

Line and Letter of Credit

ALEC maintains a line-of-credit with a bank in the amount of \$750,000. The current agreement expires August 31, 2010. Interest on any outstanding balance is payable monthly at a variable rate equal to the U.S. Prime Rate with a specified minimum floor of 4.50% per annum. Borrowings on this line of credit are secured by ALEC's receivables. As of December 31, 2009 and 2008, the outstanding balance on this line of credit was \$374,709 and \$175,000, respectively.

Included in the line of credit is a standby letter of credit in the amount of \$213,000 as of December 31, 2009 and 2008 which serves as the security deposit for ALEC's office lease. Effective January 1, 2010 the letter of credit was reduced to \$159,728 as permitted under the terms of the lease.

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2009 and 2008**

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**4. Commitments (continued)**

Hotel Commitments

ALEC reserves hotel space for its conferences in advance. The contracts stipulate the number of rooms to be reserved and the time period for which they are to be reserved. As of the date of this report, contracts for hotel space had been entered into through December 2012. Due to numerous variables involved, ALEC's ultimate liability under these contracts cannot be determined. However, management does not believe that any of these commitments will result in a material loss. Accordingly, no amount for this potential liability has been reflected in the accompanying financial statements.

Concentration of Credit Risk

ALEC's cash and cash equivalents are comprised of amounts in accounts at various financial institutions. While the amounts at times exceed the amount guaranteed by federal agencies and, therefore, bear some risk, ALEC has not experienced, nor does it anticipate, any loss of funds. As of December 31, 2009 and 2008, the Federal Deposit Insurance Corporation (FDIC) insured balances of a depositor, per financial institution, up to \$250,000. The amount held by ALEC in excess of the FDIC limit was \$784,179 and \$674,205 as of December 31, 2009 and 2008, respectively.

**5. Donated Goods and Services**

ALEC receives donated professional services and materials for various conferences and events which benefit each of its programs and supporting services. The amounts reported are based on the estimated fair value of goods and services received. The amount of in-kind revenue and expenses was \$57,956 and \$131,095 for the years ended December 31, 2009 and 2008, respectively. These amounts are allocated to the each of the programs and supporting services in the accompanying statements of activities on the basis of direct labor costs.

## AMERICAN LEGISLATIVE EXCHANGE COUNCIL

### NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2009 and 2008

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#### 6. Description of Programs and Supporting Services

The following programs and supporting services are included in the accompanying statements of activities:

##### Task forces

ALEC's policy Task Forces provide a forum for legislators and the private sector to discuss issues, develop policies, and draft model legislation. The Task Forces include the following: Public Safety and Elections; Civil Justice; Education; Natural Resources; Commerce, Insurance and Economic Development; Telecommunications and Information Technology; Health and Human Services; Tax and Fiscal Policy; and, new for 2009, International Relations. Each Task Force is co-chaired by a public and private sector member of ALEC.

##### Conferences

ALEC holds national conferences, providing workshops on current issues with leading experts, public figures and elected officials. The conferences draft and adopt model legislation and policy. The three national conferences held in 2009 and 2008 were the Spring Task Force Summit, Annual Meeting and States and National Policy Summit Meeting.

##### Membership

Membership manages the programs for the recruitment and retention of ALEC State Legislator members. This includes liaison with the ALEC State Chairs, Private Sector State Chairs, and six State Leadership Teams. In addition, Membership provides assistance to ALEC State Chairs in raising state scholarship funds, tracking the expenditures of these funds, and ensuring that members of ALEC's leadership are operating in accordance with ALEC's policies and procedures.

##### Public Affairs

Public affairs conducts an on-going communications program that integrates all departments of ALEC to promote policies based on Jeffersonian principles among elected officials and the private sector members. Public Affairs also educates the general public on ALEC's institutional goals and objectives.

##### General and Administrative

General and administrative support implements an internal financial control and reporting system and provides timely and accurate information to management to enhance their decision-making ability.

## AMERICAN LEGISLATIVE EXCHANGE COUNCIL

### NOTES TO FINANCIAL STATEMENTS For the Years Ended December 31, 2009 and 2008

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#### 6. Description of Programs and Supporting Services (continued)

##### Development

Development manages the programs for the recruitment and retention of Private Sector members of ALEC, which includes corporations, companies, associations, and foundations. In addition, Development conducts fundraising initiatives for conference sponsorships, Task Force membership and sponsorship, and special projects.

##### Board of Directors

Consisting of 23 currently elected state legislators, the Board of Directors is responsible for setting ALEC's goals and objectives, establishing organizational policies and procedures, approving legislative policies developed by ALEC's task forces, and providing oversight and stewardship of ALEC's finances. An Executive Committee, consisting of the National Chair, First Vice-Chair, Second Vice-Chair, Treasurer, Secretary, and Immediate Past National Chair, leads the Board. Members are elected to one, two and three year terms, with some positions term-limited.

#### 7. Pension Plan

ALEC offers a defined contribution plan under Section 401(k) of the Internal Revenue Code. Under the 401(k) plan, eligible employees may elect to contribute up to the Federal tax limitation. Eligible employees are those who have worked for ALEC for one year and are at least 21 years of age. Participants are immediately 100% vested. ALEC matches up to 25% of the participant's contributions up to a maximum of 4% of the employee's compensation. Pension expense for the years ended December 31, 2009 and 2008 was \$61,569 and \$56,763, respectively.

#### 8. Income Taxes

ALEC has been classified as a public charity under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal taxes on income other than net unrelated business income. ALEC reviews and assesses all activities annually to identify any changes in the scope of the activities and revenue sources and the tax treatment thereof to identify any uncertain tax positions. For the years ended December 31, 2009 and 2008, no provision for income taxes was made as ALEC had no significant net unrelated business income and did not identify any uncertain tax positions requiring recognition or disclosure in these financial statements.

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2008 and 2007**

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**9. Subsequent Events**

ALEC's management has evaluated subsequent events through June 14, 2010, the date the financial statements were available to be issued. There were no subsequent events identified through June 14, 2010 required to be disclosed in these financial statements.

AMERICAN LEGISLATIVE EXCHANGE COUNCIL

Statement of Functional Expenses  
For the Year Ended December 31, 2009

	Program Services					Supporting Services					Total
	Travel Fees	Conferences	Membership	Public Affairs	Total Programs	General and Administrative	Development	Board	Total Supporting Services		
Salaries	\$ 953,850	\$ 130,059	\$ 287,730	\$ 110,337	\$ 1,481,976	\$ 313,785	\$ 202,970	\$ 9,865	\$ 546,570	\$ 2,028,546	
Meals and lodging	412,998	935,537	27,027	-	1,375,562	783	66	81,602	82,451	1,458,013	
Rent	314,516	42,894	94,901	36,385	488,696	92,038	66,913	3,255	162,206	650,902	
Printing benefits	223,225	30,437	67,336	23,822	346,820	65,333	47,488	2,309	115,130	461,950	
Audio visual rental	42,086	294,400	-	-	326,486	-	-	-	-	326,486	
Travel	180,675	42,287	21,019	1,162	245,143	78	-	24,016	24,094	269,237	
Printing and publications	78,973	37,898	3,597	65,370	185,838	739	364	17	1,120	186,978	
Conferences fees	-	173,761	-	-	173,761	-	-	-	-	173,761	
Consistent fees	60,313	58,316	18,900	-	137,529	237	-	-	237	137,766	
Depreciation and amortization	62,815	8,567	18,954	7,267	97,603	13,364	13,364	649	32,394	129,997	
Computer services	47,919	6,533	14,459	6,764	75,677	14,023	10,195	496	26,714	100,391	
Bad debt expense	25,000	20,000	35,000	-	100,000	-	-	-	-	100,000	
Telephone	26,113	25,240	10,268	2,739	64,360	4,195	3,050	148	7,393	71,753	
Entertainment	6,369	60,774	-	-	67,143	-	-	-	-	67,143	
Accounting fees	27,757	3,783	8,369	3,209	43,098	8,116	5,901	287	14,304	57,402	
Office supplies and expense	24,593	9,524	6,547	2,952	43,616	4,998	1,543	1,520	8,061	51,677	
Subscriptions and research data	43,189	254	118	7,311	51,072	115	85	4	202	51,274	
Postage	18,805	6,665	1,227	11,321	38,018	1,025	722	35	1,782	39,800	
Auto and bus rental	5,336	30,125	961	369	35,661	3,361	-	3,361	3,361	38,822	
Credit card fees	3,185	28,190	3,860	1,480	32,705	932	678	33	1,663	34,348	
Insurance	12,793	7,992	3,860	1,480	26,125	3,743	2,722	132	6,597	32,722	
Honoria and writers fees	15,500	12,500	1,000	-	29,000	-	-	-	-	29,000	
Legal fees	10,054	7,191	3,054	1,163	21,442	2,942	2,139	104	5,185	26,627	
Dues and memberships	7,118	1,695	10,949	37	19,799	4,862	3	-	4,865	24,664	
Artwork and graphics	12,939	2,725	2,725	5,809	21,473	1,003	683	2,815	2,815	24,288	
Delivery costs	3,603	7,029	1,640	365	12,637	238	683	1,003	1,974	20,561	
Equipment maintenance	7,983	1,089	2,409	923	12,404	2,336	1,698	83	4,117	16,521	
Awards	111	15,575	-	-	15,686	-	-	-	-	15,686	
Bank service charges	6,607	901	1,993	764	10,265	1,933	1,406	68	3,407	13,672	
Interest	5,860	799	1,768	678	9,105	1,246	1,246	61	3,022	12,127	
Equipment rentals	2,687	366	811	311	4,175	786	571	28	1,385	5,560	
Publication relations and advertising	2,261	-	-	1,457	3,718	-	-	-	-	3,718	
Miscellaneous	1,568	213	474	181	2,436	459	333	16	808	3,244	
Staff development	1,208	165	364	140	1,877	567	257	13	837	2,714	
Security	564	77	171	65	877	165	120	6	291	1,168	
<b>TOTAL EXPENSES</b>	<b>\$ 2,634,573</b>	<b>\$ 1,993,563</b>	<b>\$ 664,886</b>	<b>\$ 794,481</b>	<b>\$ 5,607,603</b>	<b>\$ 564,534</b>	<b>\$ 364,465</b>	<b>\$ 131,926</b>	<b>\$ 1,060,915</b>	<b>\$ 6,668,518</b>	



AMERICAN LEGISLATIVE EXCHANGE COUNCIL

Statement of Functional Expenses  
For the Year Ended December 31, 2008

	Program Services				Supporting Services			Total		
	Task Forces	Conferences	Membership	Public Affairs	Total Programs	General and Administrative	Development		Board	Supporting Services
Salaries	\$ 985,777	\$	\$ 318,085	\$ 120,832	\$ 1,535,218	\$ 415,382	\$ 211,711	\$ 9,947	\$ 637,040	\$ 2,172,258
Meals and lodging	526,080	762,788	23,668	404	1,312,940	1,917	-	120,696	122,613	1,435,553
Rent	294,674	33,039	95,084	36,120	458,917	124,168	63,286	2,973	190,427	649,344
Fringe benefits	228,080	25,572	75,596	27,957	355,205	96,107	48,984	2,301	147,392	502,597
Audio-visual rental	22,750	364,314	-	-	389,064	-	250	250	250	389,294
Travel	257,975	54,279	27,591	259	340,104	828	3	35,370	36,201	376,305
Printing and publications	74,611	47,554	4,770	51,211	178,146	859	330	459	1,648	179,794
Conference fees	10,097	296,435	-	-	306,532	-	-	-	-	306,532
Consultant fees	143,299	56,051	20,803	6,983	227,136	43,336	12,234	575	56,145	283,281
Depreciation and amortization	47,219	5,350	15,397	5,849	74,315	20,107	10,348	481	30,836	105,151
Computer services	27,741	3,108	8,945	5,168	44,962	11,681	5,854	280	17,915	62,877
Bad debt expense	66,969	5,266	15,156	5,757	93,148	19,791	10,087	474	30,332	103,500
Telephone	34,268	49,039	11,398	3,090	97,799	6,820	3,476	584	10,880	108,675
Entertainment	7,695	83,164	-	-	90,859	-	-	-	-	90,859
Accounting fees	40,101	4,496	12,940	4,915	62,452	16,898	8,612	405	25,915	88,367
Office supplies and expense	41,107	11,798	10,902	5,570	69,377	14,314	5,103	1,625	21,042	90,419
Subscriptions and research data	47,417	242	2,026	5,421	55,106	1,453	80	4	1,537	56,643
Postage	14,728	9,225	2,086	17,985	44,024	2,315	1,172	55	3,562	47,586
Auto and bus rental	17,215	-	-	-	17,215	-	-	-	-	17,215
Credit card fees	4,101	36,410	1,323	503	42,337	1,728	881	41	3,650	46,885
Insurance	13,021	12,521	4,201	1,396	31,339	5,487	2,796	131	2,650	44,987
Honorary and writers fee	12,997	43,924	-	-	56,921	-	-	-	8,414	65,335
Legal fees	14,916	1,672	4,813	1,828	23,229	6,285	3,203	151	9,639	32,868
Dues and memberships	10,690	2,476	12,653	379	26,230	6,056	567	227	6,850	33,080
Artwork and graphics	6,189	150	-	1,739	8,078	-	-	5,945	-	14,023
Delivery costs	9,277	6,250	2,312	310	18,149	506	88	2,977	3,571	21,720
Equipment maintenance	7,885	884	2,844	967	12,280	3,323	1,693	80	5,096	17,376
Awards	4,563	21,359	-	-	26,102	-	-	-	-	26,102
Bank service charges	10,134	1,136	3,170	1,242	15,782	4,270	2,176	102	6,548	22,330
Interest	10,559	1,184	3,407	1,294	16,444	4,449	2,268	107	6,824	23,268
Equipment rentals	2,865	321	924	351	4,461	1,307	616	29	1,852	6,313
Public relations and advertising	81	52	-	56	194	1	-	-	1	195
Miscellaneous	-	-	-	-	-	117,031	-	-	117,031	117,031
Staff development	87	10	28	11	136	37	19	1	57	193
Security	550	59	171	65	825	223	115	5	343	1,168
Special projects	-	-	37,526	-	37,526	-	-	-	-	37,526
Copying charges	1,349	151	434	166	2,100	569	290	14	873	2,973
Temporary services	-	-	1,200	-	1,200	-	-	-	-	1,200
<b>TOTAL EXPENSES</b>	<b>\$ 2,971,527</b>	<b>\$ 2,032,983</b>	<b>\$ 717,090</b>	<b>\$ 308,028</b>	<b>\$ 6,035,628</b>	<b>\$ 977,168</b>	<b>\$ 395,992</b>	<b>\$ 189,939</b>	<b>\$ 1,513,099</b>	<b>\$ 7,548,727</b>

AMERICAN LEGISLATIVE EXCHANGE COUNCIL  
**ALEC**  
2009 Board of Directors

Officers and directors and be reached at  
c/o American Legislative Exchange Council  
1101 Vermont Ave., NW, 11<sup>th</sup> Floor  
Washington, DC 20005

**NATIONAL CHAIRMAN**

Speaker William (Bill) Howell (2011)

**FIRST VICE CHAIRMAN**

Representative Tom Craddick (2010)

**SECOND VICE CHAIRMAN**

Representative Noble Ellington (2011)

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Senator Val A. Stevens (2009)

Representative Curry Todd (2009)

Representative Linda L. Upmeyer (2009)

Senator Susan Wagle (2010)

Form **990**

**Return of Organization Exempt From Income Tax**

OMB No 1545-0047

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

**2010**

Department of the Treasury  
Internal Revenue Service

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

Open to Public Inspection

**A For the 2010 calendar year, or tax year beginning and ending**

**C Name of organization**  
American Legislative Exchange Council

**D Employer identification number**  
52-0140979

**E Telephone number**  
202-466-3800

**G Gross receipts \$** 7,171,357.

**H(a) Is this a group return for affiliates?**  Yes  No

**H(b) Are all affiliates included?**  Yes  No  
If "No," attach a list. (see instructions)

**H(c) Group exemption number** ▶

**F Name and address of principal officer:** Mr. Ron Scheberle same as C above

**Tax-exempt status:**  501(c)(3)  501(c) ( ) (insert no )  4947(a)(1) or  527

**Website:** ▶ www.alec.org

**K Form of organization**  Corporation  Trust  Association  Other ▶

**L Year of formation** 1975 **M State of legal domicile** IL

**Part I Summary**

1	Briefly describe the organization's mission or most significant activities. <u>Assist State Legislators, Congress &amp; the public by sharing research and educational info.</u>		
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
3	Number of voting members of the governing body (Part VI, line 1a)	3	23
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	23
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	35
6	Total number of volunteers (estimate if necessary)	6	28
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	25,105.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	<1,700.>
8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
9	Program service revenue (Part VIII, line 2g)	5,302,779.	5,997,347.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	961,104.	1,166,804.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,750.	6,889.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0.	317.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	6,271,633.	7,171,357.
14	Benefits paid to or for members (Part IX, column (A), line 4)	15,686.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	2,490,496.	2,372,417.
16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 340,480.	0.	12,594.
17	Other expenses (Part IX, column (A), lines 11a-11d, 11-24f) <b>RECEIVED</b>	4,104,380.	3,489,195.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	6,610,562.	5,874,206.
19	Revenue less expenses. Subtract line 18 from line 12	<338,929.>	1,297,151.
20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
21	Total liabilities (Part X, line 26)	3,306,976.	4,047,129.
22	Net assets or fund balances. Subtract line 21 from line 20	3,111,887.	2,554,889.
		195,089.	1,492,240.

**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

**Sign Here**  
Signature of officer: Mr. Ron Scheberle, Executive Director  
Date: 7/22/11

**Paid Preparer Use Only**  
Print/Type preparer's name: Thomas J. Raffa  
Preparer's signature: [Signature]  
Date: 7/18/11  
Check if self-employed:  PTIN:  
Firm's name: RAFFA, P.C.  
Firm's address: 1899 L Street, NW, Suite 800 Washington, DC 20036  
Firm's EIN: 202-822-5000  
Phone no: 202-822-5000

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

032001 02-22-11 LHA For Paperwork Reduction Act Notice, see the separate Instructions. Form 990 (2010)

POSTMARK DATE

SCANNED AUG 10 2011 Activities & Governance Expenses

**RECEIVED**  
 JUL 26 2011  
 OGDEN, UT  
 RS-CSC

18  
g.16

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission: The American Legislative Exchange Council's mission is to advance the Jeffersonian principles of free markets, limited government, federalism, and individual liberty, through a non-partisan, public-private partnership between America's state legislators and

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 [X] 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 [X] 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 \$ 2,125,791. including grants of \$ ) (Revenue \$ 30,954.) Task Forces - ALEC's policy Task Forces provide a forum for legislators and the private sector to discuss issues, develop policies, and draft model legislation. The Task Forces include the following: Civil Justice; Commerce, Insurance and Economic Development; Education; Energy, Environment and Agriculture; Health and Human Services; International Relations; Public Safety and Elections; Tax and Fiscal Policy; and Telecommunications and Information Technology.

4b (Code: ) (Expenses \$ 1,867,332. including grants of \$ ) (Revenue \$ 1,025,862.) Conferences - ALEC holds national conferences, providing workshops on current issues with leading experts, public figures and elected officials. The conferences draft and adopt model legislation and policy. The three national conferences held during 2010 were the Spring Task Force Summit, Annual Meeting and States and National Policy Summit.

4c (Code: ) (Expenses \$ 474,504. including grants of \$ ) (Revenue \$ 84,883.) Membership - Membership manages the programs for the recruitment and retention of ALEC State Legislator members. This includes liaison with the ALEC State Chairs and Private Sector State Chairs. In addition, Membership provides assistance to ALEC State Chairs in raising state scholarship funds, tracking the expenditures of these funds, and ensuring that members of ALEC's leadership are operating in accordance with ALEC's policies and procedures.

4d Other program services. (Describe in Schedule O.) (Expenses \$ 306,184. including grants of \$ ) (Revenue \$ 317.)

4e Total program service expenses 4,773,811.

**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>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
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>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	N/A	
6 Did the organization maintain any donor advised funds or any similar funds or 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>		X
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>		X
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>		X
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>	X	
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
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, Parts II and IV</i>		X
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, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? <i>Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)</i>		

Form 990 (2010)

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

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	X	
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? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
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?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
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? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?		X
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 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? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question number, response, and Yes/No status. Includes questions 1a through 14b regarding Form 1096, Form W-2G, backup withholding, Form W-3, unrelated business gross income, foreign accounts, prohibited tax shelter transactions, annual gross receipts, and various organizational requirements.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

**Section A. Governing Body and Management**

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Does the organization have members or stockholders?	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?		X
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		X
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done		X
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization	X	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **AK, AL, AR, AZ, CA, CO, CT, FL, GA, IL, KS, KY**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website  Another's website  Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **Lisa Bowen, Sr. Dir. of Finance & Admin. - 202-466-3800**  
**1101 Vermont Ave., NW, 11th FL, Washington, DC 20005**



**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's current key employees, if any See instructions for definition of "key employee."
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers, key employees; highest compensated employees, and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
Representative Noble Ellington, LA Chair	1.00	X		X				0.	0.	0.
Representative Dave Frizzell, IN First Vice Chair	1.00	X		X				0.	0.	0.
Representative John Piscopo, CT Second Vice Chair	1.00	X		X				0.	0.	0.
Representative Linda Upmeyer, WI Treasurer	1.00	X		X				0.	0.	0.
Representative Liston Barfield, SC Secretary	1.00	X		X				0.	0.	0.
Representative Tom Craddick, TX Immediate Past Chair	1.00	X		X				0.	0.	0.
Senator Curt Bramble, UT Director	1.00	X						0.	0.	0.
Representative Harold Brubaker, NC Director	1.00	X						0.	0.	0.
Senator Jim Buck, IN Director	1.00	X						0.	0.	0.
Representative Kent Cravens, NM Director	1.00	X						0.	0.	0.
Representative Jim Ellington, MS Director	1.00	X						0.	0.	0.
Senator Billy Hewes, MS Director	1.00	X						0.	0.	0.
Speaker Bill Howell, VA Director	1.00	X						0.	0.	0.
Senator Owen Johnson, NY Director	1.00	X						0.	0.	0.
Senator Michael Lamoureux, AR Director	1.00	X						0.	0.	0.
Representative Steve McDaniel, TN Director	1.00	X						0.	0.	0.
Representative Ray Merrick, KS Director	1.00	X						0.	0.	0.

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
Senator Bill Raggio, NV Director	1.00	X						0.	0.	0.
Senator Dean Rhoads, NV Director	1.00	X						0.	0.	0.
Senator Chip Rogers, GA Director	1.00	X						0.	0.	0.
Senator William Seitz, OH Director	1.00	X						0.	0.	0.
Representative Curry Todd, TN Director	1.00	X						0.	0.	0.
Senator Susan Wagle, KS Director	1.00	X						0.	0.	0.
Ron Scheberle Executive Director	25.00			X				204,000.	0.	0.
Lisa Bowen Sr. Dir. of Finance/Administration	37.50			X				98,499.	0.	19,760.
Michael Bowman Sr. Dir. of Policy/Strategy	37.50					X		147,073.	0.	22,852.
<b>1b Sub-total</b>								449,572.	0.	42,612.
<b>c Total from continuation sheets to Part VII, Section A</b>								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b>								449,572.	0.	42,612.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **2**

	Yes	No
<b>3</b> Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	X	

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
CMI, 200 Mile Crossing Blvd., Rochester, NY 14624	Audio Visual	308,800.

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **1**

**Part VIII Statement of Revenue**

		(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>	1 a Federated campaigns	1a			
	b Membership dues	1b			
	c Fundraising events	1c			
	d Related organizations	1d			
	e Government grants (contributions)	1e			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	5,997,347.		
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f		5,997,347.		
<b>Program Service Revenue</b>	2 a Conferences/seminars	Business Code 900099	1,051,787.	1,051,787.	
	b Membership Dues	900099	84,883.	84,883.	
	c Advertising	541800	25,105.		25,105.
	d Publications	900099	5,029.	5,029.	
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f		1,166,804.		
<b>Other Revenue</b>	3 Investment income (including dividends, interest, and other similar amounts)		6,889.		6,889.
	4 Income from investment of tax-exempt bond proceeds				
	5 Royalties				
	6 a Gross Rents	(i) Real (ii) Personal			
	b Less: rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss)				
	7 a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other			
	b Less: cost or other basis and sales expenses				
	c Gain or (loss)				
	d Net gain or (loss)				
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a			
	b Less: direct expenses	b			
	c Net income or (loss) from fundraising events				
	9 a Gross income from gaming activities. See Part IV, line 19	a			
b Less: direct expenses	b				
c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a				
b Less: cost of goods sold	b				
c Net income or (loss) from sales of inventory					
<b>Miscellaneous Revenue</b>		<b>Business Code</b>			
11 a Miscellaneous	900099	317.	317.		
b					
c					
d All other revenue					
e Total. Add lines 11a-11d		317.			
12 Total revenue. See instructions		7,171,357.	1,142,016.	25,105.	6,889.

**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)

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(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				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	322,259.	88,694.	221,739.	11,826.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,651,974.	1,278,874.	212,495.	160,605.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	45,611.	35,310.	5,519.	4,782.
9 Other employee benefits	218,662.	169,368.	26,350.	22,944.
10 Payroll taxes	133,911.	103,485.	16,423.	14,003.
11 Fees for services (non-employees):				
a Management				
b Legal	22,043.	17,035.	2,703.	2,305.
c Accounting	51,503.	39,801.	6,315.	5,387.
d Lobbying				
e Professional fundraising services See Part IV, line 17	12,594.			12,594.
f Investment management fees				
g Other	206,656.	183,316.	23,340.	
12 Advertising and promotion	10,272.	10,272.		
13 Office expenses	434,461.	408,351.	17,753.	8,357.
14 Information technology	81,436.	63,234.	9,821.	8,381.
15 Royalties				
16 Occupancy	676,903.	523,111.	82,988.	70,804.
17 Travel	130,083.	129,964.	119.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	49,499.	2,533.	46,966.	
19 Conferences, conventions, and meetings	1,470,464.	1,412,259.	58,205.	
20 Interest	15,500.	11,979.	1,900.	1,621.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	125,082.	96,663.	15,335.	13,084.
23 Insurance	35,979.	30,111.	3,166.	2,702.
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a Subscriptions/research	46,128.	45,805.	248.	75.
b Artwork/graphics	41,319.	35,409.	5,910.	
c Dues/memberships	19,525.	18,083.	1,439.	3.
d Honoraria/writers fees	18,881.	18,881.		
e Awards/plaques	16,788.	16,788.		
f All other expenses	36,673.	34,485.	1,181.	1,007.
25 Total functional expenses. Add lines 1 through 24f	5,874,206.	4,773,811.	759,915.	340,480.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) 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>	1 Cash - non-interest-bearing	524,501.	1	1,398,056.
	2 Savings and temporary cash investments	1,151,672.	2	1,285,881.
	3 Pledges and grants receivable, net	931,944.	3	821,348.
	4 Accounts receivable, net	1,682.	4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)			6
	7 Notes and loans receivable, net			7
	8 Inventories for sale or use			8
	9 Prepaid expenses and deferred charges	154,212.	9	125,921.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 1,005,137.		
	b Less: accumulated depreciation	10b 589,214.	540,011.	10c 415,923.
	11 Investments - publicly traded securities			11
	12 Investments - other securities. See Part IV, line 11			12
	13 Investments - program-related. See Part IV, line 11			13
	14 Intangible assets			14
	15 Other assets See Part IV, line 11	2,954.	15	0.
16 <b>Total assets. Add lines 1 through 15 (must equal line 34)</b>	3,306,976.	16	4,047,129.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	640,382.	17	339,825.
	18 Grants payable		18	
	19 Deferred revenue	241,416.	19	221,454.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	1,042,629.	21	1,023,761.
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22
	23 Secured mortgages and notes payable to unrelated third parties	374,709.	23	199,000.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	812,751.	25	770,849.
	26 <b>Total liabilities. Add lines 17 through 25</b>	3,111,887.	26	2,554,889.
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	<1,010,961.>	27	<32,760.>
	28 Temporarily restricted net assets	1,206,050.	28	1,525,000.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 <b>Total net assets or fund balances</b>	195,089.	33	1,492,240.	
34 <b>Total liabilities and net assets/fund balances</b>	3,306,976.	34	4,047,129.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	7,171,357.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,874,206.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,297,151.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	195,089.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	1,492,240.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b Were the organization's financial statements audited by an independent accountant?	X	
c If "Yes" to line 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		X
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a 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 If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form 990 (2010)

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Public Charity Status and Public Support**

OMB No 1545-0047

**2010**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization: American Legislative Exchange Council Employer identification number: 52-0140979

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  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 exempt 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). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h
  - a  Type I
  - b  Type II
  - c  Type III - Functionally integrated
  - d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
  - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
  - (ii) A family member of a person described in (i) above?
  - (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2010

**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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	5775598.	6130496.	5626129.	5187554.	5997347.	28717124.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	5775598.	6130496.	5626129.	5187554.	5997347.	28717124.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						2452905.
6 Public support. Subtract line 5 from line 4						26264219.

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4	5775598.	6130496.	5626129.	5187554.	5997347.	28717124.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	58,118.	489,467.	39,325.	7,750.	6,889.	601,549.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)					317.	317.
11 Total support. Add lines 7 through 10						29318990.
12 Gross receipts from related activities, etc. (see instructions)					12	6,092,592.
13 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 <input type="checkbox"/>						

Section C. Computation of Public Support Percentage	
14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14 89.58 %
15 Public support percentage from 2009 Schedule A, Part II, line 14	15 90.26 %
16a 33 1/3% support test - 2010. 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 <input checked="" type="checkbox"/>	
b 33 1/3% support test - 2009. 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 <input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2010. 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 "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 <input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2009. 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 <input type="checkbox"/>	
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 <input type="checkbox"/>	



**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 or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6</b> Total. Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8</b> Public support (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13</b> Total support (Add lines 9, 10c, 11, and 12)						

**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**

<b>15</b> Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2009 Schedule A, Part III, line 15	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2009 Schedule A, Part III, line 17	<b>18</b>	%

**19a** 33 1/3% support tests - 2010. 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. The organization qualifies as a publicly supported organization

**b** 33 1/3% support tests - 2009. 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. The organization qualifies as a publicly supported organization

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

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2010**

Open to Public  
Inspection

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979

**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.

	(a) Donor advised funds	(b) Funds and other accounts
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 and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
- Preservation of land for public use (e.g., recreation or education)       Preservation of an historically important land area
- Protection of natural habitat       Preservation of a certified historic structure
- Preservation of open space
- 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.
- |  | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements   | 2a                              |
| b Total acreage restricted by conservation easements   | 2b                              |
| c Number of conservation easements on a certified historic structure included in (a)   | 2c                              |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2d                              |
- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_
- 4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_
- 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No
- 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_
- 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_
- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No
- 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**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.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_
- (ii) Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items
- a Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_
- b Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

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

3 Using the organization's acquisition, 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 Escrow and Custodial Arrangements.** Complete if the 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:

	Amount
1c	
1d	
1e	
1f	

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f 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 the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and 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  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Term endowment  \_\_\_\_\_ %

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

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(i), 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 Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		354,101.	97,919.	256,182.
d Equipment		501,870.	380,884.	120,986.
e Other		149,166.	110,411.	38,755.

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)  415,923.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12) ▶		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ▶	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) Capital lease obligations	26,470.
(3) Deferred rent and lease benefit	744,379.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	770,849.

FIN 48 (ASC 740) Footnote in Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	7,171,357.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	5,874,206.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	1,297,151.
4	Net unrealized gains (losses) on investments	4	
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 through 8	9	0.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	1,297,151.

**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	7,214,951.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
	a Net unrealized gains on investments	2a	
	b Donated services and use of facilities	2b	43,594.
	c Recoveries of prior year grants	2c	
	d Other (Describe in Part XIV.)	2d	
	e Add lines 2a through 2d	2e	43,594.
3	Subtract line 2e from line 1	3	7,171,357.
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	
	b Other (Describe in Part XIV.)	4b	
	c Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	7,171,357.

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

1	Total expenses and losses per audited financial statements	1	5,917,800.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
	a Donated services and use of facilities	2a	43,594.
	b Prior year adjustments	2b	
	c Other losses	2c	
	d Other (Describe in Part XIV.)	2d	
	e Add lines 2a through 2d	2e	43,594.
3	Subtract line 2e from line 1	3	5,874,206.
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	
	b Other (Describe in Part XIV.)	4b	
	c Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	5,874,206.

**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, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part IV, line 2b: ALEC is the recipient of funds from various outside organizations and individuals which are to be used exclusively for scholarships on behalf of State Legislators. Scholarships are payable, upon approval by the relevant State Chair, to State Legislators to reimburse them for travel expenses incurred attending meetings of ALEC. The amounts received and disbursed by ALEC for such purposes are not considered revenue and expenses of ALEC as the State Chair retains the exclusive right to determine the expenditures. The cash held and related

**Part XIV** Supplemental Information *(continued)*

liability are reported in the financial statements of ALEC.

Lined area for supplemental information.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2010**

Open to Public Inspection

Name of the organization

**American Legislative Exchange Council**

Employer identification number

**52-0140979**

**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 any of the boxes on line 1a are 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 checked="" type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant        | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" 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, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment from the organization or a related organization?  
**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 section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

**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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2010

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies 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) Retirement and other 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				
1 Ron Scheberle	(i) 204,000.	(ii) 0.	(iii) 0.	0.	0.	204,000.	0.
2 Michael Bowman	(i) 147,073.	(ii) 0.	(iii) 0.	5,203.	17,649.	169,925.	0.
3	(i)	(ii)	(iii)				
4	(i)	(ii)	(iii)				
5	(i)	(ii)	(iii)				
6	(i)	(ii)	(iii)				
7	(i)	(ii)	(iii)				
8	(i)	(ii)	(iii)				
9	(i)	(ii)	(iii)				
10	(i)	(ii)	(iii)				
11	(i)	(ii)	(iii)				
12	(i)	(ii)	(iii)				
13	(i)	(ii)	(iii)				
14	(i)	(ii)	(iii)				
15	(i)	(ii)	(iii)				
16	(i)	(ii)	(iii)				



Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Compensation reported for Ron Scheberle was paid to Mr. Scheberle's consulting firm, an organization unrelated to ALEC but which is controlled by Mr. Scheberle. ALEC contracted with Mr. Scheberle to provide interim CEO services at the request of the ALEC Board of Directors.

**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

**2010**

Open to Public  
Inspection

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979

Form 990, Part III, Line 1, Description of Organization Mission:

concerned members of the private sector, the federal government and the  
general public.

Form 990, Part III, Line 4d, Other Program Services:

Public Affairs

Expenses \$ 306,184. including grants of \$ 0. Revenue \$ 317.

Form 990, Part VI, Section A, line 3: ALEC contracted with a consulting  
firm controlled by Mr. Ron Scheberle to fill the interim role of executive  
director. Mr. Ron Scheberle served as the interim executive director  
throughout 2010.

Form 990, Part VI, Section A, line 6: In accordance with the bylaws of  
ALEC, full membership shall be open to persons dedicated to the  
preservation of individual liberty, basic American values and institutions,  
productive free enterprise, and limited representative government, who  
support the purposes of ALEC, and who serve, or formerly served as members  
of a state or territorial legislature, the United States Congress or  
similar bodies outside the United States.

Form 990, Part VI, Section A, line 7a: Directors are elected at each  
annual meeting. The Board shall consist of 23 members of which 18  
directors are nominated and elected by the Board of Directors. Three  
Directors shall be nominated by the Board of Directors from a list of six  
nominees supplied by the State Chair, one of whom shall be the Chair of the

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

Schedule O (Form 990 or 990-EZ) (2010)

032211  
01-24-11

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979

State Chairs. Two Directors shall be elected by the Board of Directors from a list of four nominees supplied by the Task Force chairs, all four of whom shall be Task Force public sector chairs.

Form 990, Part VI, Section B, line 11: The Senior Director of Finance reviews ALEC's Form 990. Such review takes place upon receipt of the draft Form 990 received from the independent public accounting firm who conducts the financial statement audit of ALEC. The review involves comparison of financial data in the Form 990 with the audited financial statements and review of all narrative information for accuracy and completeness. The Executive Director of ALEC then reviews the Form 990. Prior to filing, the public disclosure copy of the Form 990 is provided to the full Board of ALEC.

Form 990, Part VI, Section B, line 12: ALEC is in the process of implementing a policy and related procedures to formalize the full disclosure of all actual and potential conflicts including a requirement that all of ALEC's board members annually review and sign the existing conflict of interest policy. Any actual or perceived conflicts will be addressed by the Board on a case by case basis.

Form 990, Part VI, Section B, Line 15: ALEC compares current salary rates with other non-profits by reviewing various Federal Form 990's to ensure the rates are competitive. Once compensation is determined for top management officials, officers, and key employees, the board of directors reviews and approves the rates prior to any change in compensation taking effect.

Name of the organization <b>American Legislative Exchange Council</b>	Employer identification number <b>52-0140979</b>
--	---

Form 990, Part VI, Line 17, List of States receiving copy of Form 990:

AK, AL, AR, AZ, CA, CO, CT, FL, GA, IL, KS, KY, LA, MA, MD, ME, MI, MN, MS, NC, ND, NH, NJ, NM, NY  
OH, OK, OR, PA, RI, SC, TN, UT, VA, WA, WI, WV

Form 990, Part VI, Section C, Line 19: ALEC makes these documents  
available upon request.

2010 DEPRECIATION AND AMORTIZATION REPORT

Form 990 Page 10

990

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
1	Leasehold improvements	Varies	SL	Lease term	16	354,101.			354,101.	97,919.		37,021.
2	Office furniture	Varies	SL	3-7	16	149,166.			149,166.	110,411.		11,305.
3	Office equipment	Varies	SL	3-7	16	501,870.			501,870.	380,884.		76,756.
	* Total Page 10 Depri					1005137.		0.	1005137.	589,214.	0.	125,082.

# Application for Extension of Time To File an Exempt Organization Return

▶ **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.**

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for *Charities & Nonprofits*.

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

A corporation 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*

<b>Type or print</b>	Name of exempt organization <b>American Legislative Exchange Council</b>	Employer identification number <b>52-0140979</b>
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. <b>1101 Vermont Ave., NW, 11th Floor</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Washington, DC 20005-3515</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**The Organization**

- The books are in the care of ▶ **1101 Vermont Ave., NW, 11th FL - Washington, DC 20005**  
Telephone No. ▶ **202-466-3800** 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 is for.

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **August 15, 2011**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
▶  calendar year **2010** or  
▶  tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

<b>3a</b> 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.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0.
<b>c</b> Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**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 Paperwork Reduction Act Notice, see Instructions.

Form **990**

## 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

**2011**

Department of the Treasury  
Internal Revenue Service

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

Open to Public Inspection

**A** For the 2011 calendar year, or tax year beginning **and ending**

<b>B</b> Check if applicable:	<b>C</b> Name of organization <b>American Legislative Exchange Council</b>	<b>D</b> Employer identification number <b>52-0140979</b>
<input type="checkbox"/> Address change	<b>Doing Business As</b>	<b>E</b> Telephone number <b>202-466-3800</b>
<input type="checkbox"/> Name change	<b>Number and street (or P.O. box if mail is not delivered to street address) Room/suite</b> <b>1101 Vermont Ave., NW, 11th Floor</b>	<b>G</b> Gross receipts \$ <b>9,218,069.</b>
<input type="checkbox"/> Initial return	<b>City or town, state or country, and ZIP + 4</b> <b>Washington, DC 20005-3515</b>	<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Terminated	<b>F</b> Name and address of principal officer: <b>Mr. Ron Scheberle same as C above</b>	<b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see Instructions)
<input type="checkbox"/> Amended return	<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	<b>H(c)</b> Group exemption number ▶
<input type="checkbox"/> Application pending	<b>J</b> Website: ▶ <b>www.alec.org</b>	
	<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	<b>L</b> Year of formation: <b>1975</b> <b>M</b> State of legal domicile: <b>IL</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>Assist State Legislators, Congress &amp; the public by sharing research and educational info.</b>		
	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>23</b>
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>23</b>
	<b>5</b>	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	<b>5</b>	<b>36</b>
	<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	<b>28</b>
	<b>7 a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>13,367.</b>
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>&lt;8,535.&gt;</b>	

			Prior Year	Current Year
			<b>8</b>	Contributions and grants (Part VIII, line 1h)
<b>9</b>	Program service revenue (Part VIII, line 2g)	<b>1,166,804.</b>	<b>1,451,501.</b>	
<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>6,889.</b>	<b>6,541.</b>	
<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>317.</b>	<b>193.</b>	
<b>12</b>	<b>Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)</b>	<b>7,171,357.</b>	<b>9,218,069.</b>	
<b>Expenses</b>	<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>0.</b>	<b>0.</b>
	<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>2,372,417.</b>	<b>2,594,108.</b>
	<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)	<b>12,594.</b>	<b>109,250.</b>
	<b>b</b>	<b>Total fundraising expenses (Part IX, column (D), line 25)</b> ▶ <b>414,719.</b>		
<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>3,489,195.</b>	<b>4,402,167.</b>	
<b>18</b>	<b>Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)</b>	<b>5,874,206.</b>	<b>7,105,525.</b>	
<b>19</b>	<b>Revenue less expenses. Subtract line 18 from line 12</b>	<b>1,297,151.</b>	<b>2,112,544.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b>	Total assets (Part X, line 16)	<b>4,047,129.</b>	<b>6,638,621.</b>
	<b>21</b>	Total liabilities (Part X, line 26)	<b>2,554,889.</b>	<b>3,033,837.</b>
	<b>22</b>	<b>Net assets or fund balances. Subtract line 21 from line 20</b>	<b>1,492,240.</b>	<b>3,604,784.</b>

**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 Mr. Ron Scheberle, Executive Director Type or print name and title	Date 9/29/12
------------------	---	-----------------

<b>Print/Type preparer's name</b>	Thomas J. Raffa	Preparer's signature	Date	Check if self-employed	PTIN
<b>Firm's name</b>	▶ RAFFA, P.C.		9/29/12	<input type="checkbox"/>	P00916458
<b>Firm's address</b>	▶ 1899 L Street, NW, Suite 900 Washington, DC 20036		Firm's EIN	▶ 52-1511275	
			Phone no.	202-822-5000	

May the IRS discuss this return with the preparer shown above? (see Instructions)  Yes  No

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission:
The American Legislative Exchange Council is a think-tank for state-based public policy issues and potential solutions. The Organization's mission is to assist State Legislators, Members of Congress, and the general and business public by sharing research and

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 [X] 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 [X] No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured 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 \$ 3,039,881. Including grants of \$ ) (Revenue \$ 88,859.)
Task Forces - ALEC's policy Task Forces provide a forum for legislators and the private sector to discuss issues, develop policies, and draft model bills and resolutions which serves as a public policy resource. The Task Forces include the following: Civil Justice; Commerce, Insurance and Economic Development; Education; Energy, Environment and Agriculture; Health and Human Services; International Relations; Tax and Fiscal Policy; Communications and Technology; and Public Safety and Elections.

4b (Code: ) (Expenses \$ 1,788,553. Including grants of \$ ) (Revenue \$ 1,251,954.)
Conferences - ALEC holds national conferences, providing workshops on current issues with leading experts, public figures and elected officials. The three national conferences held during 2011 were the Spring Task Force Summit, Annual Meeting and States and National Policy Summit.

4c (Code: ) (Expenses \$ 757,555. Including grants of \$ ) (Revenue \$ 97,321.)
Membership - Membership manages the programs for the recruitment and retention of ALEC State Legislator members. This includes liaison with the ALEC State Chairs and Private Sector State Chairs. In addition, Membership provides assistance to ALEC State Chairs in ensuring that members of ALEC's leadership are operating in accordance with ALEC's policies and procedures.

4d Other program services (Describe in Schedule O.)
(Expenses \$ 466,733. Including grants of \$ ) (Revenue \$ 193.)

4e Total program service expenses 6,052,722.

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**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>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
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>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which 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>		X
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>		X
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>		X
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>	X	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
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, Parts II and IV</i>		X
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, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	X	
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b <i>If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?</i>		

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

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	X	
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? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
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?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
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? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 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? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?		
Note. All Form 990 filers are required to complete Schedule O	X	

Form 990 (2011)

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Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question number, description, and Yes/No responses. Includes questions 1a through 14b regarding Form 1096, Form W-2G, backup withholding, Form W-3, unrelated business gross income, foreign accounts, prohibited tax shelter transactions, annual gross receipts, deductible contributions, and qualified health insurance issuers.

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year (23); 1b Enter the number of voting members included in line 1a, above, who are independent (23); 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (X); 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? (X); 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? (X); 5 Did the organization become aware during the year of a significant diversion of the organization's assets? (X); 6 Did the organization have members or stockholders? (X); 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? (X); 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? (X); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? (X); b Each committee with authority to act on behalf of the governing body? (X); 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (X).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? (X); 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? (X); 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? (X); 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990. (X); 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 (X); 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (X); 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done (X); 13 Did the organization have a written whistleblower policy? (X); 14 Did the organization have a written document retention and destruction policy? (X); 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? a The organization's CEO, Executive Director, or top management official (X); b Other officers or key employees of the organization (X); If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (X); 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? (X).

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed AK, AL, AR, AZ, CA, CO, CT, FL, GA, IL, KS, KY
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. [ ] Own website [ ] Another's website [X] Upon request
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: Lisa Bowen, Sr. Dir. of Finance & Admin. - 202-466-3800 1101 Vermont Ave., NW, 11th FL, Washington, DC 20005

132005 01-23-12

See Schedule O for full list of states

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**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's current key employees, if any. See instructions for definition of "key employee."
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(1) Representative Noble Ellington LA, Chair	1.00	X		X				0.	0.	0.
(2) Representative David Frizzell, IN, First Vice Chair	1.00	X		X				0.	0.	0.
(3) Representative John Piscopo, CT Second Vice Chair	1.00	X		X				0.	0.	0.
(4) Representative Linda Upmeyer, IA, Treasurer	1.00	X		X				0.	0.	0.
(5) Representative Liston Barfield, SC, Secretary	1.00	X		X				0.	0.	0.
(6) Representative Tom Craddick, TX Immediate Past Chair	1.00	X		X				0.	0.	0.
(7) Senator Curtis Bramble, UT Director	1.00	X						0.	0.	0.
(8) Representative Harold Brubaker, NC, Director	1.00	X						0.	0.	0.
(9) Senator James Buck, IN Director	1.00	X						0.	0.	0.
(10) Senator Kent Cravens, NM Director	1.00	X						0.	0.	0.
(11) Representative James Ellington, MS, Director	1.00	X						0.	0.	0.
(12) Senator William Hewes III, MS Director	1.00	X						0.	0.	0.
(13) Delegate William Howell, VA Director	1.00	X						0.	0.	0.
(14) Senator Owen Johnson, NY Director	1.00	X						0.	0.	0.
(15) Senator Michael Lamoureux, AR Director	1.00	X						0.	0.	0.
(16) Representative Steve McDaniel, TN, Director	1.00	X						0.	0.	0.
(17) Senator Ray Merrick, KS Director	1.00	X						0.	0.	0.

132007 01-23-12



**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(18) Senator Dean Rhoads, NV Director	1.00	X						0.	0.	0.
(19) Senator Chip Rogers, GA Director	1.00	X						0.	0.	0.
(20) Representative William Seitz, OH, Director	1.00	X						0.	0.	0.
(21) Representative Curry Todd, TN Director	1.00	X						0.	0.	0.
(22) Senator Susan Wagle, KS Director	1.00	X						0.	0.	0.
(23) Representative Fred Steen, NC Director	1.00	X						0.	0.	0.
(24) Ron Scheberle Executive Director	25.00			X				204,000.	0.	0.
(25) Lisa Bowen Sr. Dir. - Finance/Admin.	37.50			X				125,969.	0.	21,107.
(26) Michael Bowman Sr. Dir. - Policy/Strategy	37.50				X			173,140.	0.	23,028.
<b>1b Sub-total</b> .....								503,109.	0.	44,135.
<b>c Total from continuation sheets to Part VII, Section A</b> .....								148,567.	0.	10,983.
<b>d Total (add lines 1b and 1c)</b> .....								651,676.	0.	55,118.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **4**

	Yes	No
<b>3</b> Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual .....		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual .....	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person .....	X	

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Doner Fundraising 815 Brazos, Suite 701, Austin, TX 78701	Conf. support & F/R	265,056.
Vox Global P.O. Box 598, St. Louis, MO 63188	Media relations	213,002.

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **2**

See Part VII, Section A Continuation sheets

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(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			
(27) Chaz Cirame Sr. Dir. - Membership/Mtgs	37.50				X			148,567.	0.	10,983.
Total to Part VII, Section A, line 1c .....								148,567.		10,983.

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**Part VIII Statement of Revenue**

				(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>1 a</b> Federated campaigns .....	<b>1a</b>						
	<b>b</b> Membership dues .....	<b>1b</b>						
	<b>c</b> Fundraising events .....	<b>1c</b>						
	<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>	7,759,834.					
	<b>g</b> Noncash contributions included in lines 1a-1f \$							
	<b>h Total.</b> Add lines 1a-1f .....			7,759,834.				
<b>Program Service Revenue</b>	<b>2 a</b> Conferences/seminars	Business Code	900099	1,337,904.	1,337,904.			
	<b>b</b> Membership Dues		900099	97,321.	97,321.			
	<b>c</b> Advertising		541800	13,367.		13,367.		
	<b>d</b> Publications		900099	2,909.	2,909.			
	<b>e</b>							
	<b>f</b> All other program service revenue .....							
	<b>g Total.</b> Add lines 2a-2f .....			1,451,501.				
	<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....			6,541.			6,541.
<b>4</b> Income from investment of tax-exempt bond proceeds .....								
<b>5</b> Royalties .....								
<b>6 a</b> Gross rents .....		(i) Real						
		(ii) Personal						
		<b>b</b> Less: rental expenses .....						
		<b>c</b> Rental income or (loss) .....						
<b>d</b> Net rental income or (loss) .....								
<b>7 a</b> Gross amount from sales of assets other than inventory		(i) Securities						
		(ii) Other						
		<b>b</b> Less: cost or other basis and sales expenses .....						
		<b>c</b> Gain or (loss) .....						
<b>d</b> Net gain or (loss) .....								
<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....		<b>a</b>						
		<b>b</b> Less: direct expenses .....	<b>b</b>					
		<b>c</b> Net income or (loss) from fundraising events .....						
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....		<b>a</b>						
		<b>b</b> Less: direct expenses .....	<b>b</b>					
	<b>c</b> Net income or (loss) from gaming activities .....							
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>							
	<b>b</b> Less: cost of goods sold .....	<b>b</b>						
	<b>c</b> Net income or (loss) from sales of inventory .....							
<b>Miscellaneous Revenue</b>		<b>Business Code</b>						
<b>11 a</b> Miscellaneous		900099	193.	193.				
	<b>b</b>							
	<b>c</b>							
	<b>d</b> All other revenue .....							
	<b>e Total.</b> Add lines 11a-11d .....			193.				
<b>12 Total revenue.</b> See instructions .....			9,218,069.	1,438,327.	13,367.	6,541.		

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**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).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(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 United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	547,245.	344,852.	181,993.	20,400.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,675,139.	1,410,962.	117,420.	146,757.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	49,391.	39,757.	5,963.	3,671.
9 Other employee benefits	176,370.	154,608.	5,747.	16,015.
10 Payroll taxes	145,963.	116,502.	18,234.	11,227.
11 Fees for services (non-employees):				
a Management				
b Legal	66,928.	61,910.	3,106.	1,912.
c Accounting	73,839.	59,441.	8,912.	5,486.
d Lobbying				
e Professional fundraising services. See Part IV, line 17	109,250.			109,250.
f Investment management fees				
g Other	585,237.	541,704.	43,533.	
12 Advertising and promotion	275.	275.		
13 Office expenses	515,887.	459,833.	24,724.	31,330.
14 Information technology	137,496.	110,685.	16,596.	10,215.
15 Royalties				
16 Occupancy	640,623.	515,702.	77,323.	47,598.
17 Travel	258,769.	258,769.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	125,722.	71,252.	54,470.	
19 Conferences, conventions, and meetings	1,659,577.	1,602,550.	56,938.	89.
20 Interest	3,844.	3,094.	464.	286.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	106,145.	85,446.	12,812.	7,887.
23 Insurance	33,650.	28,819.	2,990.	1,841.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Artwork/graphics	57,152.	53,417.	3,610.	125.
b Bad debt	46,000.	46,000.		
c Dues/memberships	40,410.	38,335.	1,995.	80.
d Subscriptions/research	15,172.	15,032.	87.	53.
e All other expenses	35,441.	33,777.	1,167.	497.
25 Total functional expenses. Add lines 1 through 24e	7,105,525.	6,052,722.	638,084.	414,719.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 858-720)

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**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest bearing	1,398,056.	1	3,497,168.
	2	Savings and temporary cash investments	1,285,881.	2	1,566,782.
	3	Pledges and grants receivable, net	821,348.	3	990,521.
	4	Accounts receivable, net		4	19,442.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	125,921.	9	141,039.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	1,098,924.		
		10a			
	b	Less: accumulated depreciation	675,255.	10b	
		10c	415,923.		423,669.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
14	Intangible assets		14		
15	Other assets. See Part IV, line 11		15		
16	<b>Total assets. Add lines 1 through 15 (must equal line 34)</b>	<b>4,047,129.</b>	<b>16</b>	<b>6,638,621.</b>	
Liabilities	17	Accounts payable and accrued expenses	339,825.	17	722,035.
	18	Grants payable		18	
	19	Deferred revenue	221,454.	19	327,029.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D	1,023,761.	21	1,243,846.
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	199,000.	23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	770,849.	25	740,927.
	26	<b>Total liabilities. Add lines 17 through 25</b>	<b>2,554,889.</b>	<b>26</b>	<b>3,033,837.</b>
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	<32,760.>	27	1,610,818.
	28	Temporarily restricted net assets	1,525,000.	28	1,993,966.
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	<b>Total net assets or fund balances</b>	<b>1,492,240.</b>	<b>33</b>	<b>3,604,784.</b>	
34	<b>Total liabilities and net assets/fund balances</b>	<b>4,047,129.</b>	<b>34</b>	<b>6,638,621.</b>	

Form 990 (2011)

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**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	9,218,069.
2	Total expenses (must equal Part IX, column (A), line 25)	2	7,105,525.
3	Revenue less expenses. Subtract line 2 from line 1	3	2,112,544.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,492,240.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	3,604,784.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?	X	
c	If "Yes" to line 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		X
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	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	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form 990 (2011)

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**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

**2011**

Open to Public Inspection

Name of the organization **American Legislative Exchange Council** Employer identification number **52-0140979**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  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 exempt 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). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I
  - b  Type II
  - c  Type III - Functionally integrated
  - d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? <span style="float: right;">11g(i)</span>		
(ii) A family member of a person described in (i) above? <span style="float: right;">11g(ii)</span>		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? <span style="float: right;">11g(iii)</span>		
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

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

Schedule A (Form 990 or 990-EZ) 2011

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**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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	6130496.	5626129.	5187554.	5997347.	7759834.	30701360.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3 .....	6130496.	5626129.	5187554.	5997347.	7759834.	30701360.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						2117447.
6 Public support. Subtract line 5 from line 4.						28583913.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4 .....	6130496.	5626129.	5187554.	5997347.	7759834.	30701360.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...	489,467.	39,325.	7,750.	6,889.	6,541.	549,972.
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....				317.	193.	510.
11 Total support. Add lines 7 through 10						31251842.
12 Gross receipts from related activities, etc. (see instructions) .....					12	6,149,638.
13 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 .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) .....	14	91.46 %
15 Public support percentage from 2010 Schedule A, Part II, line 14 .....	15	89.58 %
16a 33 1/3% support test - 2011. 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 .....		<input checked="" type="checkbox"/>
b 33 1/3% support test - 2010. 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 .....		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2011. 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 "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 .....		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2010. 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 .....		<input type="checkbox"/>
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 .....		<input type="checkbox"/>

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**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 or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subject line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11, and 12.)						
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 <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	%

- 19a **33 1/3% support tests - 2011.** 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. The organization qualifies as a publicly supported organization
- b **33 1/3% support tests - 2010.** 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. The organization qualifies as a publicly supported organization
- 20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

132023 01-24-12

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

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

**2011**

Name of the organization

Employer identification number

American Legislative Exchange Council

52-0140979

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

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions 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 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total 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.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does 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, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

COPY

Name of organization

Employer identification number

American Legislative Exchange Council

52-0140979

**Part I** Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 182,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 171,250.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3		\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4		\$ 160,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5		\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6		\$ 332,854.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

**COPY**



Name of organization

Employer identification number

American Legislative Exchange Council

52-0140979

**Part I** Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7		\$ 175,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8		\$ 326,627.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9		\$ 181,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

COPY

Name of organization

Employer identification number

American Legislative Exchange Council

52-0140979

**Part II** Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

COPY

Name of organization

Employer identification number

American Legislative Exchange Council

52-0140979

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) \$

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee


(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee


(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee


(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4

Relationship of transferor to transferee


COPY

Political Campaign and Lobbying Activities

2011

Department of the Treasury  
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527

Open to Public  
Inspection

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.  
▶ See separate instructions.

If the organization answered "Yes" to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes" to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes" to Form 990, Part IV, line 5 (Proxy Tax), or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization <b>American Legislative Exchange Council</b>	Employer identification number <b>52-0140979</b>
--	---

**Part I-A** Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ..... ▶ \$ \_\_\_\_\_
- 3 Volunteer hours ..... \_\_\_\_\_

**Part I-B** Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ..... ▶ \$ \_\_\_\_\_
  - 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ..... ▶ \$ \_\_\_\_\_
  - 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? .....  Yes  No
  - 4a Was a correction made? .....  Yes  No
- b If "Yes," describe in Part IV.

**Part I-C** Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ..... ▶ \$ \_\_\_\_\_
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ..... ▶ \$ \_\_\_\_\_
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ..... ▶ \$ \_\_\_\_\_
- 4 Did the filing organization file Form 1120-POL for this year? .....  Yes  No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

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**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).  
 B Check  if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)	0.													
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	0.													
c	Total lobbying expenditures (add lines 1a and 1b)	0.													
d	Other exempt purpose expenditures	7,031,641.													
e	Total exempt purpose expenditures (add lines 1c and 1d)	7,031,641.													
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	501,582.													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	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.	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.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
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.														
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.														
g	Grassroots nontaxable amount (enter 25% of line 1f)	125,396.													
h	Subtract line 1g from line 1a. If zero or less, enter -0-	0.													
i	Subtract line 1f from line 1c. If zero or less, enter -0-	0.													
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

**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 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period						
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total	
2a	Lobbying nontaxable amount	521,271.	479,921.	441,740.	501,582.	1,944,514.
b	Lobbying ceiling amount (150% of line 2a, column(e))					2,916,771.
c	Total lobbying expenditures	0.	0.	0.	0.	0.
d	Grassroots nontaxable amount	130,318.	119,980.	110,435.	125,396.	486,129.
e	Grassroots ceiling amount (150% of line 2d, column (e))					729,194.
f	Grassroots lobbying expenditures	0.	0.	0.	0.	0.

Schedule C (Form 990 or 990-EZ) 2011

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**Part II-B** Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers? .....			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? .....			
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 similar means? .....			
i Other activities? .....			
j Total. Add lines 1c through 1i .....			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? .....			
b If "Yes," enter the amount of any tax incurred under section 4912 .....			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912 .....			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? .....			

**Part III-A** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members? .....	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less? .....	2	
3 Did the organization agree to carry over lobbying and political expenditures from the prior year? .....	3	

**Part III-B** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members .....	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year .....	2a	
b Carryover from last year .....	2b	
c Total .....	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues .....	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year? .....	4	
5 Taxable amount of lobbying and political expenditures (see instructions) .....	5	

**Part IV Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A; and Part II-B, line 1. Also, complete this part for any additional information.

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SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979

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 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-6 regarding donor advised funds.

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

Form for Part II Conservation Easements, including questions 1-9 and a table for 'Held at the End of the Tax Year' with rows 2a, 2b, 2c, 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, including questions 1a, 1b, 2, and 2a, 2b.

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

- 3 Using the organization's acquisition, 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 Escrow and Custodial Arrangements.** Complete if the 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:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

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 the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and 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 current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  %
- b Permanent endowment  %
- c Temporarily restricted endowment  %

The percentages in lines 2a, 2b, and 2c should equal 100%.

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

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		380,254.	136,185.	244,069.
d Equipment		582,709.	430,968.	151,741.
e Other		135,961.	108,102.	27,859.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				423,669.

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**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.)		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.)		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.)	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Capital lease obligations	35,629.
(3) Deferred rent and lease benefit	705,298.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	740,927.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

132053  
01-23-12

**COPY**  
Schedule D (Form 990) 2011

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	9,218,069.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	7,105,525.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	2,112,544.
4	Net unrealized gains (losses) on investments	4	
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 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	2,112,544.

**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	9,275,337.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	57,268.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	57,268.
3	Subtract line 2e from line 1	3	9,218,069.
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	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	9,218,069.

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

1	Total expenses and losses per audited financial statements	1	7,162,793.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	57,268.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	57,268.
3	Subtract line 2e from line 1	3	7,105,525.
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	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	7,105,525.

**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, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part IV, line 2b: ALEC is the recipient of funds from various outside organizations and individuals which are to be used exclusively for scholarships on behalf of State Legislators. Scholarships are payable, upon approval by the relevant State Chair, to State Legislators to reimburse them for travel expenses incurred attending meetings of ALEC. The amounts received and disbursed by ALEC for such purposes are not considered revenue and expenses of ALEC as ALEC does not select the individuals and the State Chair retains the exclusive right to determine

Schedule D (Form 990) 2011  
**COPY**

Part XIV Supplemental Information (continued)

the expenditures. The cash held and related liability are reported in the financial statements of ALEC.

Lined area for supplemental information.

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## Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,  
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

2011

Open To Public  
Inspection

Name of the organization

American Legislative Exchange Council

Employer identification number  
52-0140979

**Part I Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- |  |  |
|--|--|
| a <input checked="" type="checkbox"/> Mail solicitations               | e <input type="checkbox"/> Solicitation of non-government grants |
| b <input checked="" type="checkbox"/> Internet and email solicitations | f <input type="checkbox"/> Solicitation of government grants     |
| c <input checked="" type="checkbox"/> Phone solicitations              | g <input type="checkbox"/> Special fundraising events            |
| d <input checked="" type="checkbox"/> In-person solicitations          |  |

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?  Yes  No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Donor Fundraising - 815 Brazos, Suite 701, Austin, TX	Solicits funds on behalf of ALEC's annual conf.		X	1,659,662.	104,250.	1,659,662.
Clearword Communications - 12841 Braemar Village Plaza,	Direct mail consultant		X	16,613.	5,000.	16,613.
<b>Total</b>				1,676,275.	109,250.	1,676,275.

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

AK, AL, AR, AZ, CA, CO, CT, FL, GA, IL, KS, KY, LA, MA, MD, ME, MI, MN, MS, NC, ND, NH, NJ, NM, NY, OH, OK, OR, PA, RI, SC, TN, UT, VA, WA, WI, WV

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**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. 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))
		(event type)	(event type)	(total number)	
Revenue	1	Gross receipts .....			
	2	Less: Charitable contributions .....			
	3	Gross income (line 1 minus line 2) .....			
Direct Expenses	4	Cash prizes .....			
	5	Noncash prizes .....			
	6	Rent/facility costs .....			
	7	Food and beverages .....			
	8	Entertainment .....			
	9	Other direct expenses .....			
	10	Direct expense summary. Add lines 4 through 9 in column (d) .....			( )
	11	Net income summary. Combine line 3, column (d), and line 10 .....			( )

**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	1	Gross revenue .....			
Direct Expenses	2	Cash prizes .....			
	3	Noncash prizes .....			
	4	Rent/facility costs .....			
	5	Other direct expenses .....			
	6	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
	7	Direct expense summary. Add lines 2 through 5 in column (d) .....			( )
	8	Net gaming income summary. Combine line 1, column d, and line 7 .....			( )

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_  
 a Is the organization licensed to operate gaming activities in each of these states?  Yes  No  
 b If "No," explain: \_\_\_\_\_  
 \_\_\_\_\_  
 10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No  
 b If "Yes," explain: \_\_\_\_\_  
 \_\_\_\_\_

- 11 Does the organization operate gaming activities with nonmembers?  Yes  No
- 12 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?  Yes  No
- 13 Indicate the percentage of gaming activity operated in:
 

a The organization's facility	13a	%
b An outside facility	13b	%
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ \_\_\_\_\_  
 Address ▶ \_\_\_\_\_

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_

c If "Yes," enter name and address of the third party:

Name ▶ \_\_\_\_\_  
 Address ▶ \_\_\_\_\_

16 Gaming manager information:

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

- Director/officer       Employee       Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV** Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Schedule G, Part I, Line 2b, List of Ten Highest Paid Fundraisers:

(i) Name of Fundraiser: Doner Fundraising

(i) Address of Fundraiser: 815 Brazos, Suite 701, Austin, TX 78701

(i) Name of Fundraiser: Clearword Communications

(i) Address of Fundraiser:

12841 Braemar Village Plaza, #51, Bistow, VA 20136

COPY

SCHEDULE J  
(Form 990)

Compensation Information

OMB No. 1545-0047

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

2011

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization

American Legislative Exchange Council

Employer identification number  
52-0140979

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 any of the boxes on line 1a are 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 filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.

- |   |   |
|---|---|
| <input type="checkbox"/> Compensation committee                         | <input checked="" type="checkbox"/> Written employment contract                     |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations     | <input checked="" 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, with respect to the filing organization or a related organization:

- 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 section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

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? 5a X
- b Any related organization? 5b X
- 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? 6a X
- b Any related organization? 6b X
- 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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2011

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Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation				(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation					
1 Ron Scheberle	(i) 204,000.	0.	0.	0.	0.	0.	204,000.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.	0.
2 Michael Bowman	(i) 148,140.	25,000.	0.	5,203.	17,825.	196,168.	196,168.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.	0.
3 Chaz Cirame	(i) 104,192.	44,375.	0.	3,030.	7,953.	159,550.	159,550.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.	0.
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

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Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Compensation reported for Ron Scheberle was paid to

Mr. Scheberle's consulting firm, an organization unrelated to ALEC but which is controlled by Mr. Scheberle. ALEC contracted with Mr. Scheberle to provide interim CEO services at the request of the ALEC Board of Directors.

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SCHEDULE O  
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979

Form 990, Part III, Line 1, Description of Organization Mission:

educational information.

Form 990, Part III, Line 4d, Other Program Services:

Public Affairs

Expenses \$ 466,733. including grants of \$ 0. Revenue \$ 193.

Form 990, Part VI, Section A, line 3: ALEC contracted with a consulting firm controlled by Mr. Ron Scheberle to fill the interim role of executive director. Mr. Ron Scheberle served as the interim executive director throughout 2011.

Form 990, Part VI, Section A, line 6: In accordance with the bylaws of ALEC, full membership shall be open to persons dedicated to the preservation of individual liberty, basic American values and institutions, productive free enterprise, and limited representative government, who support the purposes of ALEC, and who serve, or formerly served, as members of a state or territorial legislature, the United States Congress or similar bodies outside the United States.

Form 990, Part VI, Section A, line 7a: Directors are elected at each annual meeting. The Board shall consist of 23 members of which 18 directors are nominated and elected by the Board of Directors. Three Directors shall be nominated by the Board of Directors from a list of six nominees supplied by the State Chair, one of whom shall be the Chair of the State Chairs. Two Directors shall be elected by the Board of Directors

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

Schedule O (Form 990 or 990-EZ) (2011)

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Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979

from a list of four nominees supplied by the Task Force chairs, all four of whom shall be Task Force public sector chairs.

Form 990, Part VI, Section B, line 11: The Senior Director of Finance reviews ALEC's Form 990. Such review takes place upon receipt of the draft Form 990 received from the independent public accounting firm who conducts the financial statement audit of ALEC. The review involves comparison of financial data in the Form 990 with the audited financial statements and review of all narrative information for accuracy and completeness. The Executive Director of ALEC then reviews the Form 990. Prior to filing, the public disclosure copy of the Form 990 is provided to the full Board of ALEC.

Form 990, Part VI, Section B, line 12: In 2012, ALEC implemented a policy and related procedures to formalize the full disclosure of all actual and potential conflicts including a requirement that all of ALEC's board members annually review and sign the existing conflict of interest policy. Any actual or perceived conflicts will be addressed by the Board on a case by case basis. These policies and procedures were not finalized for 2011 and, accordingly, the questions regarding the disclosure of conflicts by board members and monitoring of the conflict of interest policy were answered "no" for 2011.

Form 990, Part VI, Section B, Line 15: ALEC compares current salary rates with other non-profits by reviewing various Federal Form 990's to ensure the rates are competitive. Once compensation is determined for top management officials, officers, and key employees, the board of directors reviews and approves the rates prior to any change in compensation taking

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Schedule O (Form 990 or 990-EZ) (2011)

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8540910 786783 alec

2011.04020 American Legislative Exchan ALEC\_\_1

Name of the organization

American Legislative Exchange Council

Employer identification number

52-0140979

effect.

Form 990, Part VI, Line 17, List of States receiving copy of Form 990:

AK, AL, AR, AZ, CA, CO, CT, FL, GA, IL, KS, KY, LA, MA, MD, ME, MI, MN, MS, NC, ND, NH, NJ, NM, NY  
OH, OK, OR, PA, RI, SC, TN, UT, VA, WA, WI, WV

Form 990, Part VI, Section C, Line 19: ALEC makes these documents  
available upon request.

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2011 DEPRECIATION AND AMORTIZATION REPORT  
Form 990 Page 10

990

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
1	Leasehold improvements	Varies	SL	lease term	16	380,254.			380,254.	136,185.		38,266.
2	Office furniture	Varies	SL	3-7	16	135,961.			135,961.	108,102.		10,896.
3	Office equipment	Varies	SL	3-7	16	582,709.			582,709.	430,968.		56,983.
	Total 990 Page 10					1,098,924.		0.	1,098,924.	675,255.	0.	106,145.
	Depr											

128-102  
06-07-11  
**COPY**

(D) - Asset disposed

\* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

# Application for Extension of Time To File an Exempt Organization Return

▶ 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  **X**
- 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.

**Electronic filing (e-file)** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

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

A corporation 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.

Type or print  File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. <b>American Legislative Exchange Council</b>	Employer identification number (EIN) or <input checked="" type="checkbox"/> <b>52-0140979</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>1101 Vermont Ave., NW, 11th Floor</b>	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Washington, DC 20005-3515</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**Lisa Bowen, Sr. Dir. of Finance & Admin.**

- The books are in the care of ▶ **1101 Vermont Ave., NW, 11th FL - Washington, DC 20005**  
Telephone No. ▶ **202-466-3800** 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 is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **August 15, 2012**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
▶  calendar year **2011** or  
▶  tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

2 If the tax year entered in line 1 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	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

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.

**COPY**

If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II and check this box

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Form with fields for Name of exempt organization (American Legislative Exchange Council), Employer identification number (EIN) (52-0140979), and address (1101 Vermont Ave., NW, 11th Floor, Washington, DC 20005-3515).

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Table with 4 columns: Application Is For, Return Code, Application Is For, Return Code. Rows include Form 990, Form 990-BL, Form 990-EZ, Form 990-PF, Form 990-T (sec. 401(a) or 408(a) trust), and Form 990-T (trust other than above).

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

Lisa Bowen, Sr. Dir. of Finance & Admin.

The books are in the care of 1101 Vermont Ave., NW, 11th FL - Washington, DC 20005 Telephone No. 202-466-3800 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 is for.

I request an additional 3-month extension of time until November 15, 2012.

For calendar year 2011, or other tax year beginning, and ending.

If the tax year entered in line 5 is for less than 12 months, check reason: Initial return, Final return, Change in accounting period.

State in detail why you need the extension: The organization's financial statement audit has not yet been completed and additional time is needed to gather the information necessary to file a complete and accurate return.

Table with 3 columns: Description, 8a, 8b, 8c. Rows include 8a (tentative tax, less any nonrefundable credits), 8b (refundable credits and estimated tax payments made), and 8c (Balance due).

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature: [Handwritten Signature] Title: Partner Date: 7/30/2012

COPY

Joseph, Kara

---

**From:** Laura Elliott [lelliott@alec.org]  
**Sent:** Wednesday, February 23, 2011 4:43 PM  
**To:** Joseph, Kara  
**Cc:** Jose Fernandez  
**Subject:** RE: ALEC Scholarship fund

Excellent! I am copying Pepe so that he will know what the check is for when it gets here.

Thanks,  
Laura

Laura B. Elliott  
American Legislative Exchange Council  
1101 Vermont Ave., NW, 11th Floor  
Washington, DC 20005  
(202) 742-8527  
(202) 466-3801 (fax)

---

**From:** Joseph, Kara [mailto:Kara.Joseph@ohr.state.oh.us]  
**Sent:** Wednesday, February 23, 2011 4:41 PM  
**To:** Laura Elliott  
**Subject:** ALEC Scholarship fund

Laura,

One of the lobbyists in our state is donating a \$1000 for our scholarship fundraiser, but his boss is insistent that it be sent to you guys in DC. It's coming from Eli Lilly.

I just wanted to let you know so that it would be credited to our Ohio account.

Thank you!

- Kara

*Kara Joseph*  
*Sr. Legislative Aide*  
*Office of Rep. John Adams*  
*House Majority Whip*  
*Ohio House of Representatives*  
*Phone: (614) 466-1507*



---

**From:** Joseph, Kara [mailto:Kara.Joseph@ohr.state.oh.us]  
**Sent:** Tuesday, December 14, 2010 2:17 PM  
**To:** Laura Elliott  
**Subject:** Invoice

Laura,

Could you send Ed Kozelek from Time Warner an invoice for \$10,000 for ALEC Ohio so that he can cover the expenses in the fund?

Please make sure you put the taxpayer ID on the invoice.

Let me know if you need anything else.

Thanks!

- Kara

***Kara Joseph***  
*Legislative Aide*  
*Office of Rep. John Adams*  
*House Minority Whip*  
*Ohio House of Representatives*  
*Phone: (614) 466-1507*

# LOUISIANA HOUSE OF REPRESENTATIVES

5058 W. Main St.  
Houma, LA 70360  
P. O. Drawer 1809  
Gray, LA 70359  
Email: harrisoj@legis.state.la.us  
Phone: 800-935-2081  
Fax: 985-655-9011



Appropriations  
Judiciary  
Natural Resources & Environment  
Joint Legislative Committee on the Budget

Joseph A. Harrison, Jr.  
State Representative – District 51

July 2, 2012

Dear Friend:

As State Chair and National Board Member of the American Legislative Exchange Council (ALEC), I would like to solicit your financial support to our ALEC Louisiana Scholarship Fund.

Why does the scholarship fund need your support? With over thirty Louisiana Legislators serving on ALEC Task Forces, your support will allow the opportunity to attend conferences funded by the ALEC Scholarship Fund. These conferences are packed with educational speakers and presenters, and gives the legislators a chance to interact with legislators from other states, including forums on Medicaid reform, sub-prime lending, online privacy, environmental education, pharmaceutical litigation, the crisis in state spending, global warming, and financial services and information exchange. All of these issues are import to the entire lobbying community.

I, along with other members of the Louisiana Legislature, greatly appreciate your contribution to the scholarship fund. Your \$1000.00 check made payable to the ALEC Louisiana Scholarship Fund and can be sent directly to me at 5058 West Main Street, Houma, Louisiana 70360. ALEC is a 501(c)(3) nonprofit educational organization as designated by the IRS. Their tax ID number is 52-0140979.

Thank you in advance for your support.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joseph A. Harrison".

Joseph A. Harrison  
ALEC State Chairman

/val

## **REIMBURSEMENT POLICY BY MEETING**

### ***ALEC Spring Task Force Summit:***

1. ***Spring Task Force Summit Reimbursement Form:*** ALEC Task Force Members are reimbursed by ALEC up to a predetermined set limit for travel expenses. Receipts must be forwarded to the ALEC Policy Coordinator and approved by the Director of Policy.
2. ALEC Task Force Members' room & tax fees for a two-night stay are covered by ALEC.
3. *Official Alternate Task Force Members* (chosen by the State Chair and whose names are given to ALEC more than 35 days prior to the meeting to serve in place of a Task Force Member who cannot attend) are reimbursed in the same manner as Task Force Members.
4. ***State Reimbursement Form:*** Any fees above the set limit, or expenses other than travel and room expenses can be submitted by Task Force Members for payment from their state reimbursement account upon the approval of the State Chair. Receipts must be submitted to the State Chair, who will submit the signed form to the Director of Membership.
5. *Non-Task Force Members* can be reimbursed out of the state reimbursement fund upon State Chair approval. Receipts must be submitted to the State Chair, who will submit the appropriate signed form to the Director of Membership.

### ***ALEC Annual Meeting:***

***State Reimbursement Form:*** State reimbursement funds are available for reimbursement by approval of your ALEC State Chair. Expenses are reimbursed after the conference, and may cover the cost of travel, room & tax, and registration. Receipts are to be submitted to the State Chair, who will then submit the signed form to the Director of Membership.

### ***ALEC States & Nation Policy Summit:***

1. ***States & Nation Policy Summit Reimbursement Form:*** ALEC offers two scholarships per state to cover the cost of travel, room & tax, and registration not to exceed \$1,000.00 per person for a total of \$2,000.00 per state. ALEC scholarship recipients must be named by the ALEC State Chair. Expenses are submitted to the State Chair and reimbursed after the conference. The State Chair submits the signed form to the Director of Membership.
2. ***State Reimbursement Form:*** Any other fees or payments must come out of the state reimbursement account, with the approval of the State Chair. Receipts must be submitted to the State Chair, who submits the signed form to the Director of Membership.

### ***ALEC Academies:***

***Academy Reimbursement Form:*** Attendees of ALEC Academies are reimbursed by the Task Force Committee hosting the Academy. Attendees will receive a form at the Academy, and will be reimbursed up to \$500.00 for travel, and room & tax fees for a two-night stay by ALEC. Receipts must be forwarded to the appropriate Task Force Director and approved by the Director of Policy.



### WHAT IS ALEC?

With nearly 2,000 members, ALEC is the nation's largest nonpartisan, individual membership association of state legislators. Well over 100 ALEC members hold senior leadership positions in their state legislatures. ALEC's alumni include almost 80 current members of Congress and sitting or former governors.

ALEC's goal is to ensure that each of its legislative members is fully armed with the information, research, and ideas they need to be an ally of the free-market system.

### A DYNAMIC PARTNERSHIP

One of ALEC's greatest strengths is the public-private partnership. ALEC provides the private sector with an unparalleled opportunity to have its voice heard, and its perspective appreciated, by the legislative members.

ALEC members benefit from this partnership of business leaders, policy experts, and legislators through networking, conferences, Task Force meetings, and Issue Briefings.

This partnership identifies issues and then responds with common-sense, result-oriented policies. The two groups work in unison to solve the challenges facing the nation. The results are policies that will define the American political landscape in the 21st century.

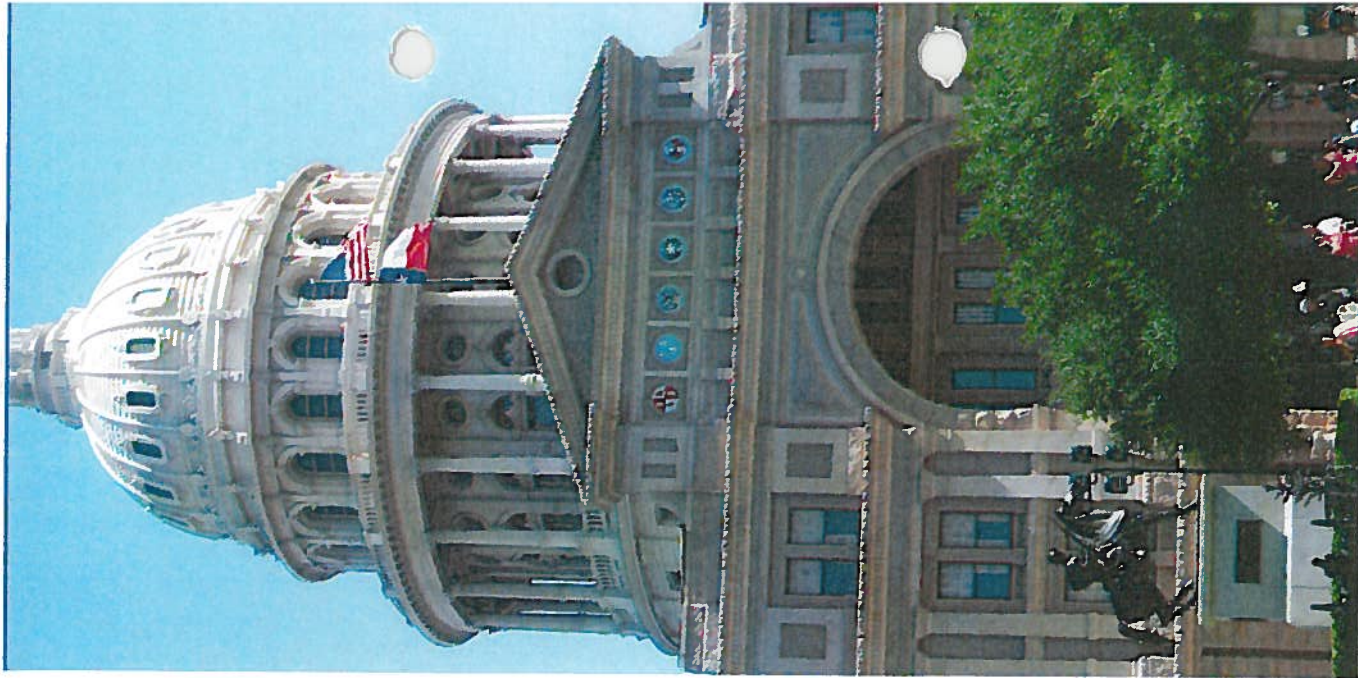


ALEC is a nonprofit 501(c)(3) organization. All contributions are fully tax deductible to the extent allowed by law. ALEC's tax ID number is 52-0140979.

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**ALEC**

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AMERICAN LEGISLATIVE EXCHANGE COUNCIL



PRIVATE SECTOR MEMBERSHIP



## VALUE OF MEMBERSHIP

Through ALEC's Resource Center, the ALEC staff provides research, policy analyses, scholarly articles, reference materials, and expert testimony on a wide spectrum of issues.

## MEETINGS AND NETWORKING OPPORTUNITIES

- ❖ **SPRING TASK FORCE SUMMIT**  
An intensive meeting of ALEC's Task Force members, the Summit is designed to keep members abreast of new developments in the states with Task Force meetings, and hearings on pressing issues.
- ❖ **ANNUAL MEETING**  
Approximately 2,000 legislators, business executives, and public-policy experts gather for four days to discuss issues and develop policy. Each meeting features 35 to 40 workshops, plenary sessions, and Task Force meetings, as well as numerous networking opportunities at social events.
- ❖ **STATES AND NATION POLICY SUMMIT**  
The Summit introduces the ALEC agenda to newly elected and freshman state legislators for a three-day conference of intensive educational sessions addressing issues that will be at the top of agendas the following year.

## POLICY PUBLICATIONS

ALEC produces numerous publications on current policy topics such as:

- ❖ **ALEC STATE FACTOR**  
A periodic publication on the issues facing state legislators
- ❖ **REPORT CARDS AND SPECIAL STUDIES**  
State-by-state analyses of critical issues such as education, natural resources, health, and tax and fiscal policy
- ❖ **ALEC ACADEMY AND STATE ISSUE SEMINARS**  
Throughout the year ALEC holds issue-specific seminars in 20 to 30 state capitols. The ALEC Academy is a special two-day intensive program on a specific issue, featuring national experts as faculty
- ❖ **INSIDE ALEC**  
Timely current-event and policy articles for ALEC members are published 10 times a year
- ❖ **ALEC WEB SITE**  
ALEC's Web site ([www.alec.org](http://www.alec.org)) features news, lectures, publications, Task Force updates, the ALEC calendar, and more than 700 pieces of model legislation that can be easily downloaded

## ALEC NATIONAL TASK FORCES

ALEC's national Task Forces serve as public-policy laboratories where legislators develop model policies to use across the country. The nine Task Forces commission research, publish issue papers, convene workshops, distribute issue alerts, and serve as clearinghouses of information on free-market policies in the states.

The centerpiece of the Task Forces is ALEC's model legislation. To date, ALEC has considered, written, and approved hundreds of model bills, resolutions, and policy statements. Historically, during each legislative cycle, ALEC legislators introduce more than 1,000 pieces of legislation based on these models, approximately 17 percent of which are enacted.

## ALEC'S NINE TASK FORCES MEMBERSHIP DUES

Civil Justice	\$3,000
Commerce, Insurance & Economic Development	\$2,500
Education	\$2,500
Health & Human Services	\$3,000
International Relations	\$10,000
Natural Resources	\$3,000
Public Safety & Elections	\$2,500
Tax & Fiscal Policy	\$3,000
Telecommunications & Information Technology	\$5,000



## MEMBERSHIP LEVELS & BENEFITS

- ❖ **WASHINGTON CLUB** \$7,000  
3 contacts on ALEC publications and policy papers mailing list  
Access to Members Only section of the Web site ([www.alec.org](http://www.alec.org))
  - ❖ **MADISON CLUB** \$12,000  
5 contacts on ALEC publications and policy papers mailing list  
Access to Members Only section of the Web site ([www.alec.org](http://www.alec.org))  
One Annual Meeting Registration  
One States & Nation Policy Summit Registration  
Invitation to the Leadership Dinner at the Annual Meeting  
Discount advertising rates in ALEC publications
  - ❖ **JEFFERSON CLUB** \$25,000  
5 contacts on ALEC publications and policy papers mailing list  
Access to Members Only section of the Web site ([www.alec.org](http://www.alec.org))  
One Annual Meeting Registration  
One States & Nation Policy Summit Registration  
Invitation to all ALEC VIP events  
Reserved table seating for the Opening Luncheons at ALEC meetings  
Invitation to Board Reception and Board Dinner at the Annual Meeting  
Discount advertising rates in ALEC publications
- NOTE:**  
All membership packages include the following benefits:
- ❖ Opportunity to join any number of Task Forces
  - ❖ Networking opportunities at the state and national levels at all meetings
  - ❖ Invitations to Special Events
  - ❖ Discounted registration for all company representatives to ALEC events
  - ❖ Discounted exhibit booth rates at ALEC meetings

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Committees  
Commerce & Labor; Insurance  
State Government; Veterans Affairs  
Rules and Reference

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**John Adams**  
House Minority Whip

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August 26, 2010

Bob Blazer  
AT&T  
150 E. Gay Street, Room 4A  
Columbus, Ohio 43215

Dear Bob,

“Outstanding!” “Amazing!” “The best Ohio Night I’ve ever attended!” Those are just a few of the comments I received from both Legislative members and attendees at Ohio Night during the ALLEC event.

I can’t say thank you enough for making our trip out to San Diego for the ALLEC conference such a success. Thank you also to AT&T for their generous contribution and sponsorship of the Ohio Night event! Because of your help and others like you, the trip to ALLEC was made possible for our legislators.

The many speakers heard and information that my members receive at the ALLEC Annual Meeting will be invaluable in leading them towards business, tax and government policy with the Jeffersonian principles that ALLEC espouses. With information that is disseminated at these meetings, my desire is that the Ohio Legislature will pass and repeal laws to make Ohio a much more business friendly state. After all, when your business is a success, it benefits all of Ohio.

Thank you,

John Adams  
State Representative  
ALLEC Ohio Chair