

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2006

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service

For calendar year 2006 or other tax year beginning _____, and ending _____

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(C)(03) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)</p> <p>C Book value of all assets at end of year 35,247,128.</p>	<p>Print or Type</p>	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) THE AMERICAN ACADEMY OF NEUROLOGY</p> <p>Number, street, and room or suite no. If a P.O. box, see page 9 of instructions. 1080 MONTREAL AVENUE</p> <p>City or town, state, and ZIP code ST. PAUL, MN 55116-2325</p> <p>F Group exemption number (see instructions for Block F.) ▶</p> <p>G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>	<p>D Employer identification number (Employees' trust, see instructions for Block D on page 9.) 41-0726167</p> <p>E Unrelated business activity codes (See instructions for Block E on page 9.) 541800 541900</p>
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H Describe the organization's primary unrelated business activity. ▶ **MANAGEMENT FEE FROM AFFILIATED ENTITY**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
 If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ **THE ORGANIZATION** Telephone number ▶ **651-695-1940**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales 655,000.				
b Less returns and allowances	c Balance ▶	1c 655,000.		
2 Cost of goods sold (Schedule A, line 7)		2 655,000.		
3 Gross profit. Subtract line 2 from line 1c		3		
4 a Capital gain net income (attach Schedule D)		4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b		
c Capital loss deduction for trusts		4c		
5 Income (loss) from partnerships and S corporations (attach statement)		5		
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions; attach schedule.)		12		
13 Total. Combine lines 3 through 12		13 0.		

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	
16 Repairs and maintenance	16	
17 Bad debts	17	
18 Interest (attach schedule)	18	
19 Taxes and licenses	19	
20 Charitable contributions (See instructions for limitation rules.)	20	
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	
28 Other deductions (attach schedule)	28	
29 Total deductions. Add lines 14 through 28	29	0.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	0.
31 Net operating loss deduction (limited to the amount on line 30)	31	
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	0.
33 Specific deduction (Generally \$1,000, but see instructions for exceptions)	33	1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	0.

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.

Part I Automatic 3-Month Extension of Time.

 Only submit original (no copies needed).

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

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

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

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization THE AMERICAN ACADEMY OF NEUROLOGY	Employer identification number 41-0726167
	Number, street, and room or suite no. If a P.O. box, see instructions. 1080 MONTREAL AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ST. PAUL, MN 55116-2325	

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

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

- The books are in the care of ▶ **THE ORGANIZATION**
Telephone No. ▶ **651-695-1940** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

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

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

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b	If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c	Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	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.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here [] See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ (2) \$ (3) \$ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ (2) Additional 3% tax (not more than \$100,000) \$ c Income tax on the amount on line 34 35c 0. 36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: [] Tax rate schedule or [] Schedule D (Form 1041) 36 37 Proxy tax. See instructions 37 38 Alternative minimum tax 38 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies 39 0.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a 40b Other credits (see instructions) 40b 40c General business credit. Check here and indicate which forms are attached: [] Form 3800 [] Form(s) (specify) 40c 40d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d 40e Total credits. Add lines 40a through 40d 40e 41 Subtract line 40e from line 39 41 0. 42 Other taxes. Check if from: [] Form 4255 [] Form 8611 [] Form 8697 [] Form 8866 [] Other (attach schedule) 42 43 Total tax. Add lines 41 and 42 43 0. 44a Payments: A 2005 overpayment credited to 2006 44a 44b 2006 estimated tax payments 44b 44c Tax deposited with Form 8868 44c 44d Foreign organizations: Tax paid or withheld at source (see instructions) 44d 44e Backup withholding (see instructions) 44e 44f Credit for federal telephone excise tax paid (attach Form 8913) 44f 704. 44g Other credits and payments: [] Form 2439 [] Form 4136 [] Other Total 44g 45 Total payments. Add lines 44a through 44g 45 704. 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached [] 46 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 704. 49 Enter the amount of line 48 you want: Credited to 2007 estimated tax Refunded 49 704.

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

1 At any time during the 2006 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file. 3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

1 Inventory at beginning of year 1 0. 2 Purchases 2 3 Cost of labor 3 4a Additional section 263A costs 4a 4b Other costs (attach schedule) 4b 655,000. 5 Total. Add lines 1 through 4b 5 655,000. 6 Inventory at end of year 6 0. 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 7 655,000. 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? Yes No X

Sign Here 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 taxpayer) is based on all information of which preparer has any knowledge. Signature of officer Date 10/29/07 CFO Title May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No Preparer's signature Date 10/29/07 Check if self-employed [] Preparer's SSN or PTIN P00092679 Paid Preparer's Use Only Firm's name (or yours if self-employed), address, and ZIP code RSM MCGLADREY, INC. 801 NICOLLET AVENUE, SUITE 1100 MINNEAPOLIS, MN 55402 EIN 41-1944416 Phone no. 612-573-8750 Form 990-T (2006)

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instr. on pg 20)

1 Description of property

Table with 4 rows for property descriptions (1-4).

2 Rent received or accrued

Table with 3 columns: (a) From personal property, (b) From real and personal property, and 3 Deductions directly connected with the income.

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0. Total deductions. Enter here and on page 1, Part I, line 6, column (B) 0.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 20)

Table with 4 columns: 1 Description of debt-financed property, 2 Gross income from or allocable to debt-financed property, 3 Deductions directly connected with or allocable to debt-financed property (a) Straight-line depreciation, (b) Other deductions.

Table with 5 columns: 4 Amount of average acquisition debt on or allocable to debt-financed property, 5 Average adjusted basis of or allocable to debt-financed property, 6 Column 4 divided by column 5, 7 Gross income reportable (column 2 x column 6), 8 Allocable deductions (column 6 x total of columns 3(a) and 3(b)).

Totals. Enter here and on page 1, Part I, line 7, column (A) 0. Enter here and on page 1, Part I, line 7, column (B) 0.

Total dividends-received deductions included in column 8

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 21)

Table for Exempt Controlled Organizations with 6 columns: 1 Name of Controlled Organization, 2 Employer identification Number, 3 Net unrelated income (loss), 4 Total of specified payments made, 5 Part of column 4 that is included in the controlling organization's gross income, 6 Deductions directly connected with income in column (5).

Nonexempt Controlled Organizations

Table with 5 columns: 7 Taxable income, 8 Net unrelated income (loss), 9 Total of specified payments made, 10 Part of column 9 that is included in the controlling organization's gross income, 11 Deductions directly connected with income in column 10.

Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) 0. Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B) 0.

Totals

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions on page 22)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals	0.			0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions on page 22)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions on page 23)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 23)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14			0.

▶ **Attach to your income tax return.**

Name(s) as shown on your income tax return

Identifying number

THE AMERICAN ACADEMY OF NEUROLOGY

41-0726167

Enter the federal telephone excise tax billed during each period as listed in column (a) of lines 1-14 below.

By filing this form, you are certifying that you (1) have not received from your service provider a credit or refund of the tax paid on long distance service or bundled service billed after February 28, 2003, and before August 1, 2006, and (2) will not ask your provider for a credit or refund or have withdrawn any request submitted to the provider for a credit or refund.

Caution. See the instructions for explanations of the services that qualify for a credit or refund of the federal telephone excise tax.

Amount of federal excise tax on long distance or bundled service only

(a) Bills dated during:	(b) Long distance service	(c) Bundled service	(d) Tax credit or refund (add columns (b) and (c))	(e) Interest (see instructions)
1 March, April, and May 2003	\$ 56.	\$	\$ 56.	\$ 12.
2 June, July, and August 2003	69.		69.	14.
3 September, October, and November 2003	51.		51.	10.
4 December 2003; January and February 2004	56.		56.	11.
5 March, April, and May 2004	53.		53.	9.
6 June, July, and August 2004	40.		40.	7.
7 September, October, and November 2004	42.		42.	7.
8 December 2004; January and February 2005	30.		30.	4.
9 March, April, and May 2005	55.		55.	7.
10 June, July, and August 2005	34.		34.	4.
11 September, October, and November 2005	31.		31.	3.
12 December 2005; January and February 2006	38.		38.	3.
13 March, April, and May 2006	33.		33.	2.
14 June and July 2006	22.		22.	1.
15 Add lines 1 - 14 in columns (d) and (e)			\$ 610.	\$ 94.
16 Total credit or refund requested. Add columns (d) and (e) on line 15. Enter here and on Form 1040, line 71; Form 1040A, line 42; Form 1040EZ, line 9; Form 1040EZ-T, line 1a; Form 1040NR, line 69; Form 1040NR-EZ, line 21; Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23d; Form 1041, line 24f; Form 1041-N, line 17; Form 1065, line 23; Form 990-T, line 44f; or the proper line of other returns			\$	\$ 704.

LHA For Paperwork Reduction Act Notice, see the instructions.

Form **8913** (2006)

ELECTION AND APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

NAME AMERICAN ACADEMY OF NEUROLOGY, INC.

I.D. NO. 41-0726167

YEAR ENDED 12/31/2006

We, the undersigned persons duly authorized to act on behalf of the electing corporations listed below, which were component members of a controlled group of corporations on September 30, 2006, hereby elect and consent as follows with respect to such September 30th:

CHECK WHERE APPLICABLE:

- (a) In accordance with Section 1561(a)(1) to allocate the amount in each taxable income bracket as indicated below.
- (b) In accordance with Section 1561(a)(2) to allocate the \$250,000 (\$150,000 if any component member is a service corporation described in section 535(c)(2)(B)) allowance in computing the accumulated earnings credit as indicated below.
- (c) In accordance with Section 38(c)(4)(B) to apportion the \$25,000 specified in Section 38(c)(1)(B) for general business credit purposes as indicated below.
- (d) In accordance with Section 179(d)(6) to allocate the \$25,000 (\$100,000 in the case of taxable years beginning after 2002 and before 2006) expensing allowance under Section 179 as indicated below. The allowance increases to the lesser of \$35,000 or actual cost for enterprise zone property qualified as such under Section 1397A.
- (e) In accordance with Section 1561(a)(3) to allocate the \$40,000 alternative minimum tax exemption as indicated below.
- (f) In accordance with Section 6655(g)(2)(B)(ii) to allocate the \$1,000,000 allowance in determining "large corporation" status for purposes of computing estimated taxes as indicated below.

Corp No.	(a) Taxable Income Brackets*			(b) Accumulated Earnings Credit	(c) General Business Credit	(d) Section 179 Limit	(e) Minimum Tax Exemption	(f) Estimated Tax Allowance
	15%	25%	34%					
	\$50,000	\$25,000	\$9,925,000					
1	50,000	25,000	4,962,500	125,000	25,000	54,000	0	500,000
2	0	0	4,962,500	125,000	0	54,000	40,000	500,000
3	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0
5								
	\$50,000	\$25,000	\$9,925,000	\$250,000	\$25,000	\$108,000	\$40,000	\$1,000,000

Corp No.	Name and Address	Year End	E.I. Number	Signature of Authorized Officer
1	AAN ENTERPRISES, INC. 1080 MONTREAL AVE., ST. PAUL, MN		41-1966077 12/31/2006	
2	AMERICAN ACADEMY OF NEUROLOGY, INC. 1080 MONTREAL AVE., ST. PAUL, MN		41-0726167 12/31/2006	
3				
4				
5				

The original of this statement is filed at the IRS Service Center at: _____

* All income in excess of \$10,000,000 is subject to a 35% rate.