

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

**2003**

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 2003 calendar year, or tax year beginning** OCT 1, 2003 **and ending** SEP 30, 2004

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

**C Name of organization**  
**THE AYN RAND INSTITUTE, THE CENTER FOR THE ADVANCEMENT OF OBJECTIVISM**

**D Employer identification number**  
**22-2570926**

Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
**2121 ALTON PARKWAY 250**

**E Telephone number**  
**(949) 222-6550**

City or town, state or country, and ZIP + 4  
**IRVINE, CA 92606**

**F Accounting method**  Cash  Accrual  
 Other (Specify)

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

**H and I are not applicable to section 527 organizations**  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes," enter number of affiliates

**G Website:** N/A

**J Organization type** (check only one)  501(c) ( 03 ) (insert no)  4947(a)(1) or  527

**H(c)** Are all affiliates included? N/A  Yes  No (If "No," attach a list.)

**K Check here**  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

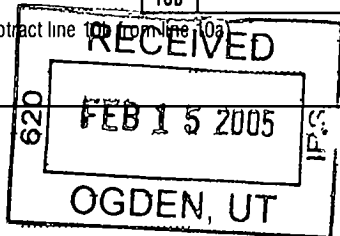
**I Group Exemption Number**

**L Gross receipts:** Add lines 6b, 8b, 9b, and 10b to line 12 4,230,082.

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

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	1a	3,358,389.		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash \$ <u>3,358,389.</u> noncash \$ <u>                    </u> )	1d		3,358,389.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		215,369.	
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4			
	5	Dividends and interest from securities	5		9,483.	
	6a	Gross rents	6a			
	6b	Less: rental expenses	6b			
	6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe <u>UNREALIZED LOSS ON INVESTMENTS</u> )	7		<5,425.>		
8a	Gross amount from sales of assets other than inventory	(A) Securities	8a			
		605,321.	8a			
		(B) Other	8b			
		607,724.	8b			
8c	Less: cost or other basis and sales expenses		8c			
		<2,403.>	8c			
8d	Net gain or (loss) (combine line 8c, columns (A) and (B)) <u>STMT 1</u>	8d		<2,403.>		
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>					
9a	Gross revenue (not including \$ <u>                    </u> of contributions reported on line 1a)		9a			
			9b			
			9c			
10a	Gross sales of inventory, less returns and allowances		10a			
			10b			
			10c			
10c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		46,945.		
11	Other revenue (from Part VII, line 103)	11		46,945.		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		3,622,358.		
Expenses	13	Program services (from line 44, column (B))	13		2,012,006.	
	14	Management and general (from line 44, column (C))	14		653,230.	
	15	Fundraising (from line 44, column (D))	15		816,601.	
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 16 and 44, column (A))	17		3,481,837.	
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		140,521.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		391,784.	
	20	Other changes in net assets or fund balances (attach explanation)	20		0.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		532,305.	



SCANNED FEB 25 2005

323001 12-17-03

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2003)

**THE AYN RAND INSTITUTE, THE CENTER FOR  
THE ADVANCEMENT OF OBJECTIVISM**

22-2570926

**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. Page 2

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule)					
cash \$ _____ noncash \$ _____	22				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc.	25	282,066.	146,866.	58,870.	76,330.
26 Other salaries and wages	26	1,143,757.	595,530.	238,715.	309,512.
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29				
30 Professional fundraising fees	30				
31 Accounting fees	31	22,192.		13,896.	8,296.
32 Legal fees	32				
33 Supplies	33	37,237.	4,425.	28,601.	4,211.
34 Telephone	34	53,012.	15,734.	26,805.	10,473.
35 Postage and shipping	35	145,178.	104,336.	8,240.	32,602.
36 Occupancy	36	245,687.	129,910.	51,115.	64,662.
37 Equipment rental and maintenance	37				
38 Printing and publications	38	235,148.	114,808.	28,605.	91,735.
39 Travel	39	90,053.	52,255.	5,467.	32,331.
40 Conferences, conventions, and meetings	40	15,540.	3,666.	7,724.	4,150.
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	15,808.		15,808.	
43 Other expenses not covered above (itemize):					
a _____	43a				
b _____	43b				
c _____	43c				
d _____	43d				
e <b>SEE STATEMENT 2</b>	43e	1,196,159.	844,476.	169,384.	182,299.
<small>Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15</small>	44	3,481,837.	2,012,006.	653,230.	816,601.

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_;  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_.

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose? **SEE STATEMENT 3**

	Program Service Expenses <small>(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others.)</small>
<b>a EDUCATION</b>	
(Grants and allocations \$ _____)	641,271.
<b>b INTELLECTUAL SUPPORT PROGRAM</b>	
(Grants and allocations \$ _____)	488,299.
<b>c MEDIA</b>	
(Grants and allocations \$ _____)	212,363.
<b>d ARCHIVES</b>	
(Grants and allocations \$ _____)	179,840.
<b>e Other program services (attach schedule) STATEMENT 4</b>	490,233.
<b>f Total of Program Service Expenses (should equal line 44, column (B), Program services)</b>	2,012,006.

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**Part IV Balance Sheets**

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

		(A) Beginning of year		(B) End of year	
Assets	45 Cash - non-interest-bearing	209,226.	45	167,435.	
	46 Savings and temporary cash investments		46		
	47 a Accounts receivable	47a			
	b Less: allowance for doubtful accounts	47b	47c		
	48 a Pledges receivable	48a 214,746.			
	b Less: allowance for doubtful accounts	48b	265,207.	48c 214,746.	
	49 Grants receivable			49	
	50 Receivables from officers, directors, trustees, and key employees			50	
	51 a Other notes and loans receivable	51a 14,593.			
	b Less: allowance for doubtful accounts	51b	25,299.	51c 14,593.	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges			53	
	54 Investments - securities <b>STMT 5</b>	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	861,234.	54	819,360.
	55 a Investments - land, buildings, and equipment: basis	55a			
	b Less: accumulated depreciation	55b		55c	
56 Investments - other			56		
57 a Land, buildings, and equipment: basis	57a 185,163.				
b Less: accumulated depreciation	57b 130,450.	50,429.	57c 54,713.		
58 Other assets (describe <b>SEE STATEMENT 6</b> )		307,570.	58	941,051.	
<b>59 Total assets (add lines 45 through 58) (must equal line 74)</b>		<b>1,718,965.</b>	<b>59</b>	<b>2,211,898.</b>	
Liabilities	60 Accounts payable and accrued expenses	175,828.	60	319,601.	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees		63		
	64 a Tax-exempt bond liabilities		64a		
	b Mortgages and other notes payable		64b		
	65 Other liabilities (describe <b>SEE STATEMENT 7</b> )		1,151,353.	65	1,359,992.
<b>66 Total liabilities (add lines 60 through 65)</b>		<b>1,327,181.</b>	<b>66</b>	<b>1,679,593.</b>	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted	22,351.	67	169,995.	
	68 Temporarily restricted	369,433.	68	362,310.	
	69 Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	391,784.	73	532,305.	
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	1,718,965.	74	2,211,898.	

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

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Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return	Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
<b>a</b> Total revenue, gains, and other support per audited financial statements <span style="float:right">▶ a 3,622,358.</span>	<b>a</b> Total expenses and losses per audited financial statements <span style="float:right">▶ a 3,481,837.</span>
<b>b</b> Amounts included on line a but not on line 12, Form 990: <ul style="list-style-type: none"> <li>(1) Net unrealized gains on investments \$ _____</li> <li>(2) Donated services and use of facilities \$ _____</li> <li>(3) Recoveries of prior year grants \$ _____</li> <li>(4) Other (specify): \$ _____</li> </ul> Add amounts on lines (1) through (4) <span style="float:right">▶ b 0.</span>	<b>b</b> Amounts included on line a but not on line 17, Form 990: <ul style="list-style-type: none"> <li>(1) Donated services and use of facilities \$ _____</li> <li>(2) Prior year adjustments reported on line 20, Form 990 \$ _____</li> <li>(3) Losses reported on line 20, Form 990 \$ _____</li> <li>(4) Other (specify): \$ _____</li> </ul> Add amounts on lines (1) through (4) <span style="float:right">▶ b 0.</span>
<b>c</b> Line a minus line b <span style="float:right">▶ c 3,622,358.</span>	<b>c</b> Line a minus line b <span style="float:right">▶ c 3,481,837.</span>
<b>d</b> Amounts included on line 12, Form 990 but not on line a: <ul style="list-style-type: none"> <li>(1) Investment expenses not included on line 6b, Form 990 \$ _____</li> <li>(2) Other (specify): \$ _____</li> </ul> Add amounts on lines (1) and (2) <span style="float:right">▶ d 0.</span>	<b>d</b> Amounts included on line 17, Form 990 but not on line a: <ul style="list-style-type: none"> <li>(1) Investment expenses not included on line 6b, Form 990 \$ _____</li> <li>(2) Other (specify): \$ _____</li> </ul> Add amounts on lines (1) and (2) <span style="float:right">▶ d 0.</span>
<b>e</b> Total revenue per line 12, Form 990 (line c plus line d) <span style="float:right">▶ e 3,622,358.</span>	<b>e</b> Total expenses per line 17, Form 990 (line c plus line d) <span style="float:right">▶ e 3,481,837.</span>

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated.)				
(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
MICHAEL BERLINER ----- WEST LA, CA	EMPLOYEE/DIRECTOR VARIES	11,151.	0.	2,141.
HARRY BINSWANGER ----- NEW YORK, NY	DIRECTOR VARIES	0.	0.	65.
PETER SCHWARTZ ----- DANBURY, CT	CHAIRMAN VARIES	0.	0.	217.
ARLINE MANN ----- NEW YORK, NY	DIRECTOR VARIES	0.	0.	0.
JOHN RIDPATH ----- TORONTO, ON	DIRECTOR VARIES	0.	0.	139.
PETER LEPORT, M.D. ----- CORONA DEL MAR, CA	DIRECTOR VARIES	0.	0.	986.
JULIE REPASS ----- IRVINE, CA	EMPLOYEE/SECTY/TREASURER VARIES	85,462.	6,480.	1,058.
CARL BARNEY ----- CRYSTAL BAY, NV	DIRECTOR VARIES	0.	0.	0.
YARON BROOK ----- COTO DE CAZA, CA	PRES./EXEC. DIRECTOR VARIES	185,453.	5,622.	756.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule. ▶  Yes  No

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<b>Part VI Other Information</b>		<b>Yes</b>	<b>No</b>
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b If "Yes," has it filed a tax return on Form 990-T for this year? <span style="float:right">N/A</span>	78b		
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
b If "Yes," enter the name of the organization <span style="float:right">and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.</span>			
81 a Enter direct or indirect political expenditures. See line 81 instructions <span style="float:right">81a 0.</span>			
b Did the organization file Form 1120-POL for this year?	81b		X
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) <span style="float:right">82b N/A</span>			
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible? <span style="float:right">N/A</span>	84a		
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? <span style="float:right">N/A</span>	84b		
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? <span style="float:right">N/A</span>	85a		
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? <span style="float:right">N/A</span>	85b		
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c Dues, assessments, and similar amounts from members <span style="float:right">85c N/A</span>			
d Section 162(e) lobbying and political expenditures <span style="float:right">85d N/A</span>			
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices <span style="float:right">85e N/A</span>			
f Taxable amount of lobbying and political expenditures (line 85d less 85e) <span style="float:right">85f N/A</span>			
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? <span style="float:right">N/A</span>	85g		
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? <span style="float:right">N/A</span>	85h		
86 501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12 <span style="float:right">86a N/A</span>			
b Gross receipts, included on line 12, for public use of club facilities <span style="float:right">86b N/A</span>			
87 501(c)(12) organizations Enter: a Gross income from members or shareholders <span style="float:right">87a N/A</span>			
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) <span style="float:right">87b N/A</span>			
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		X
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <span style="float:right">0.</span> ; section 4912 <span style="float:right">0.</span> ; section 4955 <span style="float:right">0.</span>			
b 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <span style="float:right">0.</span>			
d Enter: Amount of tax on line 89c, above, reimbursed by the organization <span style="float:right">0.</span>			
90 a List the states with which a copy of this return is filed <span style="float:right">CALIFORNIA, PENNSYLVANIA</span>			
b Number of employees employed in the pay period that includes March 12, 2003 <span style="float:right">90b 32</span>			
91 The books are in care of <span style="float:right">JULIE FERGUSON</span> Telephone no. <span style="float:right">(949) 222-6550</span>			
Located at <span style="float:right">2121 ALTON PARKWAY, SUITE #250, IRVINE CA</span> ZIP + 4 <span style="float:right">92606</span>			
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year <span style="float:right">92 N/A</span>			

323041  
12-17-03

Form 990 (2003)

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a <b>PROFESSIONAL OUTREACH</b>					215,369.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	9,483.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			14	<5,425.>	
100 Gain or (loss) from sales of assets other than inventory			14	<2,403.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a <b>OTHER INCOME</b>			03	46,945.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		48,600.	215,369.
105 Total (add line 104, columns (B), (D), and (E))					263,969.

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

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 6

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 of the instructions.)

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

**Part X Information Regarding Transfers Associated with**

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to
  - (b) Did the organization, during the year, pay premiums, directly or indirectly, on a p
- Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please 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 officer) is based on all information furnished to preparer.

Signature of officer: *Julie Ferguson* Date: 12/11

Paid Preparer's Use Only

Preparer's signature: *Bruce B Hensiek*

Firm's name (or yours if self-employed), address, and ZIP + 4: HENSTIEK & CARON, CPA'S  
65 N. RAYMOND, STE 240  
PASADENA, CA 91103

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

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

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

**Supplementary Information-(See separate instructions.)**

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

OMB No 1545-0047

**2003**

Name of the organization **THE AYN RAND INSTITUTE, THE CENTER FOR  
THE ADVANCEMENT OF OBJECTIVISM** Employer identification number  
**22 2570926**

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

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<u>YARON BROOK</u> -----	EXE DIRECTOR			
<u>COTO DE CAZA, CA</u> -----	VARIES	185,453.	5,622.	756.
<u>MARK CHAPMAN</u> -----	VP DEVELOPMEN			
<u>LAGUNA NIGUEL, CA</u> -----	VARIES	127,833.		
<u>ANU SEPPALA</u> -----	VP CULTR. PRO			
<u>IRVINE, CA</u> -----	VARIES	94,532.		
<u>JULIE FERGUSON</u> -----	VP FIN./ADM.			
<u>IRVINE, CA</u> -----	VARIES	85,462.	6,480.	1,058.
<u>KATHY CROSS</u> -----	PLANNING MGR.			
<u>CULVER CITY, CA</u> -----	VARIES	81,262.		
Total number of other employees paid over \$50,000 ▶	7			

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

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>NONE</u> -----		
-----		
-----		
-----		
-----		
-----		
-----		
-----		
Total number of others receiving over \$50,000 for professional services ▶	0	

<b>Part III Statements About Activities</b> (See page 2 of the instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions ) <b>SEE STATEMENT 9</b>		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e	Transfer of any part of its income or assets?		X
3 a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) <b>SEE STATEMENT 10</b>	X	
b	Do you have a section 403(b) annuity plan for your employees?	X	
4	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 6 of the instructions.)

- The organization is not a private foundation because it is: (Please check only **ONE** applicable box )
- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
  - 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
  - 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii)
  - 8  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
  - 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► \_\_\_\_\_
  - 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
  - 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
  - 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
  - 12  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
  - 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations (See page 5 of the instructions )

(a) Name(s) of supported organization(s)	(b) Line number from above

14  An organization organized and operated to test for public safety. Section 509(a)(4) (See page 6 of the instructions.)



THE AYN RAND INSTITUTE, THE CENTER FOR

Schedule A (Form 990 or 990-EZ) 2003

THE ADVANCEMENT OF OBJECTIVISM

22-2570926 Page 3

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

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	3,292,176.	3,042,872.	2,494,680.	2,795,783.	11,625,511.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	704.	2,255.	15,445.	11,103.	29,507.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	39,964.	32,616.	28,222.	7,912.	108,714.
23 Total of lines 15 through 22	3,332,844.	3,077,743.	2,538,347.	2,814,798.	11,763,732.
24 Line 23 minus line 17	3,332,844.	3,077,743.	2,538,347.	2,814,798.	11,763,732.
25 Enter 1% of line 23	33,328.	30,777.	25,383.	28,148.	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	235,275.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	3,590,061.
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	11,763,732.
d Add: Amounts from column (e) for lines: 18 <u>29,507.</u> 19 _____ 22 <u>108,714.</u> 26b <u>3,590,061.</u>	26d	3,728,282.
e Public support (line 26c minus line 26d total)	26e	8,035,450.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	68.3070%

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: **N/A**

(2002)	(2001)	(2000)	(1999)	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: <b>N/A</b>	(2002)	(2001)	(2000)	(1999)
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____	27c	N/A		
d Add: Line 27a total _____ and line 27b total _____	27d	N/A		
e Public support (line 27c total minus line 27d total)	27e	N/A		
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)	27f	N/A		
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	N/A %		
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	N/A %		

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15

NONE

THE AYN RAND INSTITUTE, THE CENTER FOR

**Part V Private School Questionnaire** (See page 7 of the instructions.)

N/A

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

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

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.) N/A  
 (To be completed ONLY by an eligible organization that filed Form 5768)

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

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

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

**4-Year Averaging Period Under Section 501(h)**  
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
<b>45</b> Lobbying nontaxable amount					0.
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					0.
<b>47</b> Total lobbying expenditures					0.
<b>48</b> Grassroots nontaxable amount					0.
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					0.
<b>50</b> Grassroots lobbying expenditures					0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities** (For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.) N/A

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

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

**Part VII** Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

- (i) Cash
(ii) Other assets

b Other transactions:

- (i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

Table with 2 columns: Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), c. All 'No' boxes are checked with an 'X'.

N/A

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. The table is currently empty.

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No (The 'No' box is checked with an 'X')

b If "Yes," complete the following schedule

N/A

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. The table is currently empty.

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**FORM 990**                      **GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES**                      **STATEMENT 1**


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DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
SALE OF INVESTMENTS	605,321.	607,724.	0.	<2,403.>
TO FORM 990, PART I, LINE 8	605,321.	607,724.	0.	<2,403.>

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**FORM 990**                                      **OTHER EXPENSES**                                      **STATEMENT 2**


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DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
ADVERTISING AND PROMOTION	67,458.	46,388.	7,518.	13,552.
AUDIOVISUAL	2,193.	2,193.		
BANK CHARGES	23,457.		23,457.	
REPAIRS AND MAINTENANCE	13,598.	40.	12,682.	876.
EVENTS	36,853.	26,658.		10,195.
INSURANCE	9,397.		9,397.	
LIBRARY	154,616.	147,520.	2,284.	4,812.
LIST RENTAL	24,639.	22,325.		2,314.
OTHER	11,401.	1,292.	10,109.	
OUTSIDE SERVICES	377,490.	252,314.	60,316.	64,860.
PRIZES, GRANTS AND SCHOLARSHIPS	202,162.	202,162.		
TRANSPORTATION	1,846.	1,029.	341.	476.
TAXES AND LICENSES	53,976.	24,340.	9,609.	20,027.
PAYROLL TAXES AND FRINGE BENEFITS	201,784.	112,752.	32,922.	56,110.
EDITING	14,300.	5,233.		9,067.
ORGANIZATION	230.	230.		
EQUIPMENT	759.		749.	10.
<b>TOTAL TO FM 990, LN 43</b>	<b>1,196,159.</b>	<b>844,476.</b>	<b>169,384.</b>	<b>182,299.</b>

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FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 3  
PART III

EXPLANATION

THE CENTER WAS ESTABLISHED FOR THE ADVANCEMENT OF AYN RAND'S PHILOSOPHY, OBJECTIVISM.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 4

DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
AYN RAND CENTENARY		4,293.
INTERNET/IT		88,806.
BOOK PROMOTION & PUBLICATION		131,178.
PROFESSIONAL OUTREACH		143,212.
PUBLIC OUTREACH		122,744.
TOTAL TO FORM 990, PART III, LINE E		490,233.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 5

SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
MUTUAL FUND			819,360.		819,360.
TO 990, LN 54 COL B			819,360.		819,360.

FORM 990 OTHER ASSETS STATEMENT 6

DESCRIPTION	AMOUNT
DEPOSITS AND OTHER ASSETS	139,009.
INVESTMENT IN SUBSIDIARY	178,000.
LOANS TO AFFILIATE	624,042.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	941,051.

FORM 990	OTHER LIABILITIES	STATEMENT	7
DESCRIPTION		AMOUNT	
GIFT ANNUITY OBLIGATIONS		732,519.	
DEFERRED REVENUE - POOLED INCOME FUND		24,071.	
LINE OF CREDIT		175,000.	
NOTES PAYABLE		428,402.	
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B		1,359,992.	

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 8

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	ARI OFFERS A SERIES OF COURSES CALLED THE LEADERSHIP DEVELOPMENT PROGRAM WHICH INCLUDES COURSES IN PHILOSOPHY AND BUSINESS, LEADERSHIP VALUES AND VIRTUES, BUSINESS IN A WIDER CONTEXT. BUSINESS IN A WIDER CONTEXT IS TWO CLASSES; CAPITALISM AND THE ECONOMICS OF CAPITALISM. THE COURSES OFFER EXECUTIVES AND MANAGERS A MORAL DEFENSE OF BUSINESS AND INSTRUCTION IN THE IMPORTANCE OF ACTING ON PRINCIPLE AND IMPLEMENTING THE CORE VIRTUES OF RATIONALITY, INDEPENDENCE, PRODUCTIVENESS, HONESTY, PRIDE, INTEGRITY AND JUSTICE TO THEIR BUSINESS PRACTICES.

SCHEDULE A STATEMENT REGARDING ACTIVITIES WITH SUBSTANTIAL CONTRIBUTORS, TRUSTEES, DIRECTORS, CREATORS, KEY EMPLOYEES, ETC., PART III, LINE 2 STATEMENT 9

ARI BOARD MEMBER HARRY BINSWANGER AND HIS WIFE JEAN MORONEY BINSWANGER, OWNERS OF THE OBJECTIVIST FORUM PUBLICATIONS, INC., GIVE COURSE LECTURES TO HTI INC. HARRY BINSWANGER ALSO TEACHES AT ARI'S OBJECTIVIST ACADEMIC CENTER. ARI BOARD CHAIRMAN PETER SCHWARTZ, OWNER OF PETER SCHWARTZ, INC. PROVIDES OPINION/EDITORIAL SERVICES TO ARI'S MEDIA DEPARTMENT. ARI BOARD MEMBER JOHN RIDPATH PROVIDED LECTURES ON ARI'S BEHALF AT COURSES ARI PROVIDED TO HTI INC.

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS PART III, LINE 3 STATEMENT 10

APPLICANTS MUST MEET ALL QUALIFYING TERMS AS OUTLINED IN OUR STRATEGIC PLAN. AWARDS WILL BE GIVEN AS DETERMINED BY ARI'S GRANT COMMITTEE ON A CASE BY CASE BASIS. THIS IS BASED UPON FORMAL GRANT APPLICATIONS ACCOMPANIED BY ABSTRACTS, COMPLETION OUTLINES AND SCHEDULES, DRAFTS AND WILLINGNESS TO UNDERGO PERIODIC EVALUATIONS BY ARI OR ITS APPOINTEE, AND SUBJECT TO ARI'S

## APPROVAL TERMS.

SCHEDULE A	OTHER INCOME			STATEMENT 11
DESCRIPTION	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT	1999 AMOUNT
BOOK SALES & MISC	39,964.	32,616.	28,222.	7,912.
TOTAL TO SCHEDULE A, LINE 22	39,964.	32,616.	28,222.	7,912.