

Return of Organization Exempt From Income Tax

2005

Open to Public Inspection

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

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

Department of the Treasury Internal Revenue Service

A For the 2005 calendar year, or tax year beginning 10/01, 2005, and ending 9/30, 2006

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

THE AYN RAND INSTITUTE, THE CENTER FOR THE ADVANCEMENT OF OBJECTIVISM 2121 ALTON PARKWAY #250 IRVINE, CA 92606

D Employer Identification Number 22-2570926 E Telephone number 949-222-6550 F Accounting method: Cash, Accrual, Other

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? H(b) If 'Yes,' enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number M Check if the organization is not required to attach Schedule B

G Web site: WWW.AYNRAND.ORG

J Organization type: 501(c) 3

K Check here if the organization's gross receipts are normally not more than \$25,000

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 5,026,627

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, Amount. Includes sub-rows for contributions, program revenue, rental income, special events, and expenses.

RECEIVED FEB 21 2007

RECEIVED FEB 14 2007 IRSS-OSC UGDEN, UT

Handwritten numbers: 515, 9

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22			
23	Specific assistance to individuals (att sch)	23			
24	Benefits paid to or for members (att sch)	24			
25	Compensation of officers, directors, etc	25	1,036,828.	698,630.	169,231.
26	Other salaries and wages	26	976,626.	813,071.	49,549.
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31	32,423.		21,472.
32	Legal fees	32			10,951.
33	Supplies	33	34,742.	26,542.	3,996.
34	Telephone	34	15,869.	12,403.	1,895.
35	Postage and shipping	35	369,009.	353,110.	3,189.
36	Occupancy	36	282,319.	210,148.	31,346.
37	Equipment rental and maintenance	37	7,558.	3,597.	3,514.
38	Printing and publications	38	352,137.	326,834.	
39	Travel	39	117,211.	74,218.	601.
40	Conferences, conventions, and meetings	40	77,959.	58,881.	9,692.
41	Interest	41	18,496.	15,466.	
42	Depreciation, depletion, etc (attach schedule)	42	20,785.	16,475.	2,107.
43	Other expenses not covered above (itemize)				
a	SEE STATEMENT 2	43a	1,717,737.	1,471,946.	109,018.
b	-----	43b			
c	-----	43c			
d	-----	43d			
e	-----	43e			
f	-----	43f			
g	-----	43g			
44	Total functional expenses Add lines 22 through 43 (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	5,059,699.	4,081,321.	405,610.

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 \$ 155,028. ; (ii) the amount allocated to Program services \$ 133,804. ; (iii) the amount allocated to Management and general \$ _____ ; and (iv) the amount allocated to Fundraising \$ 21,224. .

Part III Statement of Program Service Accomplishments

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

What is the organization's primary exempt purpose? ▶ SEE STATEMENT 3
 All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
 (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)

a EDUCATION	(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	1,471,697.
b INTELLECTUAL SUPPORT PROGRAM	(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	884,722.
c MEDIA	(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	288,714.
d ARCHIVES	(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	290,752.
e Other program services	SEE STATEMENT 4	1,145,436.
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>		1,145,436.
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	▶	4,081,321.

BAA

Form 990 (2005)

Part IV Balance Sheets (See Instructions)

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

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash -- non-interest-bearing	250,806.	45	48,025.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	47 a		
	b Less allowance for doubtful accounts	47 b	47 c	
	48 a Pledges receivable	48 a 370,349.		
	b Less allowance for doubtful accounts	48 b	531,237.	48 c 370,349.
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51 a Other notes & loans receivable (attach sch) SEE ST 5	51 a 1,042,103.		
	b Less: allowance for doubtful accounts	51 b	51 c	1,042,103.
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments -- securities (attach schedule) SEE ST 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		273,974.	54 212,065.
	55 a Investments -- land, buildings, & equipment: basis	55 a		
b Less: accumulated depreciation (attach schedule)	55 b		55 c	
56 Investments -- other (attach schedule) SEE STMT 7		907,324.	56 1,170,811.	
57 a Land, buildings, and equipment: basis	57 a 138,400.			
b Less accumulated depreciation (attach schedule) STATEMENT 8	57 b 83,754.	50,910.	57 c 54,646.	
58 Other assets (describe <input type="checkbox"/> SEE STATEMENT 9)		1,136,945.	58 578,586.	
59 Total assets (must equal line 74). Add lines 45 through 58		3,151,196.	59 3,476,585.	
LIABILITIES	60 Accounts payable and accrued expenses	988,002.	60	1,162,657.
	61 Grants payable		61	
	62 Deferred revenue	42,761.	62	61,466.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule) SEE STATEMENT 10		64 b	335,430.
	65 Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 11)		1,119,906.	65 949,577.
66 Total liabilities. Add lines 60 through 65		2,150,669.	66 2,509,130.	
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	706,557.	67	571,468.
	68 Temporarily restricted	293,970.	68	395,987.
	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).		1,000,527.	73 967,455.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		3,151,196.	74 3,476,585.

BAA

Form 990 (2005)

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	5,028,072.
b	Amounts included on line a but not on Part I, line 12:			
	1 Net unrealized gains on investments	b1		
	2 Donated services and use of facilities	b2	1,445.	
	3 Recoveries of prior year grants	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	1,445.
c	Subtract line b from line a		c	5,026,627.
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12). Add lines c and d		e	5,026,627.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements		a	5,061,144.
b	Amounts included on line a but not on Part I, line 17:			
	1 Donated services and use of facilities	b1	1,445.	
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	1,445.
c	Subtract line b from line a		c	5,059,699.
d	Amounts included on Part I, line 17, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify): _____	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	5,059,699.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(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 and deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 12		965,879.	21,606.	21,048.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

75a Enter the total number of officers, directors, and trustees permitted to vote on organization business as board meetings	8	Yes	No
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If 'Yes,' attach a statement that identifies the individuals and explains the relationship(s). SEE STATEMENT 13	75b	X	
c Do any officers, directors, trustees, or key employees listed in form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? Note. Related organizations include section 509(a)(3) supporting organizations. If 'Yes,' attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization	75c		X
d Does the organization have a written conflict of interest policy?	75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
RICHARD RALSTON 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	0.	50,540.	1,950.	16,421.
DONNA MONTREZZA 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	0.	20,409.	900.	0.

Part VI Other Information (See the instructions.)

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
78a 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?	78b	N/A	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	79		X
80a 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? b If 'Yes,' enter the name of the organization N/A and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.	80a		X
81a Enter direct and indirect political expenditures. (See line 81 instructions.)	81a	0.	
b Did the organization file Form 1120-POL for this year?	81b		X

Part VI Other Information (continued)		SEE STATEMENT 14		Yes	No
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		82 a	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.)		82 b	1,445.		
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?		83 a	X		
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		83 b	X		
84 a Did the organization solicit any contributions or gifts that were not tax deductible?		84 a		X	
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		84 b	N/A		
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		85 a	N/A		
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?		85 b	N/A		
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		85 c	N/A		
d Section 162(e) lobbying and political expenditures		85 d	N/A		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		85 e	N/A		
f Taxable amount of lobbying and political expenditures (line 85d less 85e)		85 f	N/A		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		85 g	N/A		
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?		85 h	N/A		
86 501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12		86 a	N/A		
b Gross receipts, included on line 12, for public use of club facilities		86 b	N/A		
87 501(c)(12) organizations Enter a Gross income from members or shareholders		87 a	N/A		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them)		87 b	N/A		
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 ▶ 0., section 4912 ▶ 0.; section 4955 ▶ 0.					
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		89 b		X	
c Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958				0.	
d Enter: Amount of tax on line 89c, above, reimbursed by the organization				0.	
90 a List the states with which a copy of this return is filed ▶ CA PA		90 a			
b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)		90 b	31		
91 a The books are in care of ▶ JULIE FERGUSON Telephone number ▶ 949-222-6550					
Located at ▶ 2121 ALTON PARKWAY SUITE 250, IRVINE, CA, ZIP + 4 ▶ 92606					
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country ▶		91 b		X	
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Statements					
c At any time during the calendar year, did the organization maintain an office outside of the United States? If 'Yes,' enter the name of the foreign country ▶		91 c		X	
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92			N/A		N/A

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a PROFESSIONAL OUTREACH					131,168.
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	1,741.	
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 pers prop					
99 Other investment income			15	760.	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b MISCELLANEOUS INCOME			3	12,354.	
c TUITION INCOME					6,675.
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				14,855.	137,843.
105 Total (add line 104, columns (B), (D), and (E))					152,698.

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 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)
1	SEE STATEMENT 15

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
SECOND RENAISSANCE, INC. 2121 ALTON PARKWAY, SUITE 250 IRVINE, CA 92606, 16-1266543	100.000 % % % %	MAIL ORDER SALES	-260,463.	248,131.

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

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

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

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 information furnished by the taxpayer.

Signature of officer: Julie Ferguson

Type or print name and title: Julie Ferguson, T

Paid Preparer's Use Only

Preparer's signature: DAVID B. REULE

Firm's name (or yours if self-employed), address, and ZIP + 4: CORBIN & COMPANY, LLP
2603 MAIN STREET, SUITE 600
IRVINE, CA 92614

SCHEDULE A
(Form 990 or 990-EZ)

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

OMB No 1545-0047

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

2005

Department of the Treasury
Internal Revenue Service

Supplementary Information — (See separate instructions.)

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

Name of the organization **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 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 and deferred compensation	(e) Expense account and other allowances
SEE STATEMENT 16		416,980.	14,919.	0.
Total number of other employees paid over \$50,000 ▶	0			

Part II — A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See 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
NONE		
Total number of others receiving over \$50,000 for professional services ▶	0	

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

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
WEST AMERICA GRAPHICS 19682 DESCARTES FOOTHILL RANCH, CA 92610	PRINTING SERVICES	302,137.
SPECIALIZED MARKETING SEVICES 17809 GILLETTE AVENUE IRVINE, CA 92614	MAILING SERVICES	92,657.
Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part III Statements About Activities (See 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 ▶ \$ <u>N/A</u> (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) SEE STATEMENT 17		
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
3a 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.)	X	
b Do you have a section 403(b) annuity plan for your employees?	X	
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4a 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
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See 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). Check the box that describes the type of supporting organization: Type 1 Type 2 Type 3

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

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	4,513,291.	3,358,389.	3,292,176.	3,042,872.	14,206,728.
16 Membership fees received					0.
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					0.
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	4,557.	9,483.	704.	2,255.	16,999.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
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					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets SEE STMT 19	9,382.	46,945.	39,964.	32,616.	128,907.
23 Total of lines 15 through 22	4,527,230.	3,414,817.	3,332,844.	3,077,743.	14,352,634.
24 Line 23 minus line 17	4,527,230.	3,414,817.	3,332,844.	3,077,743.	14,352,634.
25 Enter 1% of line 23	45,272.	34,148.	33,328.	30,777.	
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24.					26a 287,053.
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 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 3,874,670.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 14,352,634.
d Add: Amounts from column (e) for lines:	18 16,999.	19	22 128,907.	26b 3,874,670.	26d 4,020,576.
e Public support (line 26c minus line 26d total)					26e 10,332,058.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 71.99 %
27 Organizations described on line 12: N/A					
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.					
(2004) _____ (2003) _____ (2002) _____ (2001) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year					
(2004) _____ (2003) _____ (2002) _____ (2001) _____					
c Add. Amounts from column (e) for lines:	15 _____	16 _____	17 _____	20 _____	21 _____
d Add: Line 27a total _____ and line 27b total _____					27c _____
e Public support (line 27c total minus line 27d total)					27d _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27e _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27f _____
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27g _____ %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	
		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? .	32 a	
	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32 b	
	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32 c	
	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.) ----- -----	32 d	
33	Does the organization discriminate by race in any way with respect to:		
	a Students' rights or privileges?	33 a	
	b Admissions policies?	33 b	
	c Employment of faculty or administrative staff?	33 c	
	d Scholarships or other financial assistance?	33 d	
	e Educational policies?	33 e	
	f Use of facilities?	33 f	
	g Athletic programs?	33 g	
	h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- ----- -----	33 h	
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34 a	
	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	34 b	
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	

CLIENT 9023T

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

22-2570926

2/05/07

01:24PM

STATEMENT 1
FORM 990, PART I, LINE 7
OTHER INVESTMENT INCOME

ROYALTY INCOME

TOTAL	\$	760.
	\$	<u>760.</u>

STATEMENT 2
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING & PROMOTION	58,882.	58,628.	150.	104.
AUDIOVISUAL	16,468.	15,690.	643.	135.
BOOKS	396,120.	393,715.	2,188.	217.
DESIGN	40,453.	32,726.		7,727.
EDITING	10,743.	9,696.		1,047.
EQUIPMENT	20,617.	12,727.	5,533.	2,357.
EVENTS	55,512.	38,258.		17,254.
INSURANCE	13,604.		13,604.	
INTERNET	27,353.	20,424.	1,267.	5,662.
LESS: INKIND EXPENSES	-1,444.	-1,444.		
LIST RENTAL	33,227.	33,227.		
OTHER	68,503.	34,245.	11,554.	22,704.
OUTREACH	21,877.	8,475.	6,154.	7,248.
OUTSIDE SERVICES	337,500.	315,396.	7,886.	14,218.
PAYROLL TAXES & FRINGE BENEFIT	312,200.	223,963.	46,637.	41,600.
PRIZES, GRANTS & SCHOLARSHIPS	246,324.	246,324.		
ROYALTIES	152.			152.
TAXES, LICENSES & FEES	55,407.	26,488.	12,999.	15,920.
TRANSPORTATION	4,239.	3,408.	403.	428.
TOTAL	\$ <u>1,717,737.</u>	\$ <u>1,471,946.</u>	\$ <u>109,018.</u>	\$ <u>136,773.</u>

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

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

STATEMENT 4
FORM 990, PART III, LINE E
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
OTHER		1,145,436.
INCLUDES FOREIGN GRANTS: NO		

2/05/07

01:24PM

STATEMENT 4 (CONTINUED)
FORM 990, PART III, LINE E
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
TOTAL	\$ 0.	\$ 1,145,436.

STATEMENT 5
FORM 990, PART IV, LINE 51
OTHER NOTES AND LOANS RECEIVABLE

OTHER NOTES AND LOANS	BALANCE DUE	DOUBTFUL ACCOUNTS ALLOWANCE
LOANS RECEIVABLES	\$ 1,042,103.	\$ 0.
TOTAL OTHER NOTES AND LOANS	\$ 1,042,103.	\$ 0.
TOTAL NET RECEIVABLES	\$ 1,042,103.	

STATEMENT 6
FORM 990, PART IV, LINE 54
INVESTMENTS - SECURITIES

OTHER PUBLICLY TRADED SECURITIES	VALUATION METHOD	AMOUNT
MUTUAL FUND	MARKET VALUE	\$ 111,159.
MONEY MARKET	MARKET VALUE	100,906.
TOTAL		\$ 212,065.
TOTAL INVESTMENTS - SECURITIES	\$ 212,065.	

STATEMENT 7
FORM 990, PART IV, LINE 56
INVESTMENTS - OTHER

DESCRIPTION OF INVESTMENT	VALUATION METHOD	BOOK VALUE
INVESTMENTS - SPLIT-INTEREST AGREEMENTS	MARKET VALUE	\$ 1,159,525.
MISCELLANEOUS INVESTMENTS	MARKET VALUE	11,286.
TOTAL		\$ 1,170,811.

2/05/07

01:24PM

**STATEMENT 8
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT**

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
FURNITURE AND FIXTURES	\$ 19,405.	\$ 0.	\$ 19,405.
MACHINERY AND EQUIPMENT	112,222.	0.	112,222.
IMPROVEMENTS	6,773.	0.	6,773.
MISCELLANEOUS	0.	83,754.	-83,754.
TOTAL	\$ 138,400.	\$ 83,754.	\$ 54,646.

**STATEMENT 9
FORM 990, PART IV, LINE 58
OTHER ASSETS**

BENEFICIAL INTEREST IN INSURANCE POLICY	\$ 267,664.
DEPOSITS AND OTHER ASSETS	93,541.
INVESTMENT IN SUBSIDIARY	178,000.
OTHER ACCOUNTS RECEIVABLE	39,381.
TOTAL	\$ 578,586.

**STATEMENT 10
FORM 990, PART IV, LINE 64B
MORTGAGES AND OTHER NOTES PAYABLE**

OTHER NOTES PAYABLE

LENDER'S NAME:	NOTES PAYABLE	
BALANCE DUE:		\$ 205,430.
LENDER'S NAME:	LINE OF CREDIT	
BALANCE DUE:		\$ 130,000.
TOTAL		\$ 335,430.

**STATEMENT 11
FORM 990, PART IV, LINE 65
OTHER LIABILITIES**

GIFT ANNUITY OBLIGATION	\$ 949,577.
TOTAL	\$ 949,577.

2/05/07

01:24PM

STATEMENT 12
FORM 990, PART V-A
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED</u>	<u>COMPEN- SATION</u>	<u>CONTRI- BUTION TO EBP & DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
YARON BROOK 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	PRESIDENT 45	\$ 351,674.	\$ 3,625.	\$ 864.
JULIE FERGUSON 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	TREASURER 45	111,269.	3,392.	1,094.
DÉBI GHATE 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	SECRETARY 35	72,058.	3,625.	4,035.
ARLINE MANN 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	DIRECTOR 2	0.	0.	0.
MICHAEL S. BERLINER 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	DIRECTOR 2	7,736.	0.	399.
HARRY BINSWANGER 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	DIRECTOR 2	0.	0.	0.
PETER LEPORT 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	DIRECTOR 2	0.	0.	851.
CARL BARNEY 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	DIRECTOR 2	0.	0.	0.
JOHN RIDPATH 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	DIRECTOR 2	0.	0.	55.
ONKAR GHATE 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	DEAN OF OAC 40	85,583.	3,625.	4,706.
MARK CHAPMAN 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	VP DEVELOPMENT 45	223,146.	3,625.	4,797.
ANU SEPPALA 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	VP PROJECTS 45	114,413.	3,714.	4,247.

2/05/07

01:44PM

**STATEMENT 12 (CONTINUED)
FORM 990, PART V-A
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES**

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JOHN MCCASKEY 2121 ALTON PARKWAY SUITE 250 IRVINE, CA 92606	DIRECTOR 2	\$ 0.	\$ 0.	\$ 0.
		TOTAL \$	<u>965,879.</u>	<u>\$ 21,606.</u> <u>\$ 21,048.</u>

**STATEMENT 13
FORM 990, PART V-A, LINE 75B
COMPENSATION PAID TO RELATED INDIVIDUALS**

NAME AND RELATIONSHIP

YARON BROOK'S (PRESIDENT) SON, NIV BROOK, WAS A TEMPORARY EMPLOYEE OF THE COMPANY.

HARRY BINSWANGER (DIRECTOR) IS AN OWNER OF THE OBJECTIVIST FORUM (A SERVICE PROVIDER TO THE COMPANY), THROUGH WHICH HE PROVIDED TEACHING SERVICES.

DEBI GHATE (SECRETARY) AND ONKAR GHATE (DEAN OF OAC) ARE MARRIED.

JULIE FERGUSON'S (TREASURER) HUSBAND, MICHAEL FERGUSON, PROVIDES OCCASIONAL CONSULTING SERVICES TO THE COMPANY.

**STATEMENT 14
FORM 990, PART VI
CONTROLLED ENTITIES**

IRC SECTION 6003(H) REPORTING REQUIREMENT

NAME OF CONTROLLED ENTITY: SECOND RENAISSANCE, INC
DESCRIPTION OF INCOME: ROYALTIES - 194

INCOME AMOUNT:

LOAN AMOUNT:

DESCRIPTION OF TRANSFERS:

TRANSFERS AMOUNTS:

NOTE: ROYALTIES ARE FROM THE BOOK RIGHTS OF A CHINESE PUBLICATION

\$ 194.

\$ 1,042,103.

THE AYN RAND INSTITUTE (ARI) TRANSFERS MONEY TO SECOND RENAISSANCE, INC AT A NON-INTEREST BEARING RATE WITH NO MATURITY TO HELP THE ORGANIZATION CONTINUE ITS ACTIVITIES. SECOND RENAISSANCE, INC. PAYS ARI BACK WHEN SUFFICIENT MONEY IS AVAILABLE.

\$ 0.

2/05/07

01:24PM

**STATEMENT 15
FORM 990, PART VIII
RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES**

LINE #	EXPLANATION OF ACTIVITIES
93B	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 PRACTICE.
103C	TUITION INCOME INCLUDES FEES FOR EDUCATION IN OBJECTIVISM.

**STATEMENT 16
SCHEDULE A, PART I
COMPENSATION OF FIVE HIGHEST PAID EMPLOYEES**

NAME AND ADDRESS	TITLE & AVERAGE HOURS WORKED	COMPEN-SATION	CONTRIBUTIO EBP & DC	EXPENSE ACCOUNT
DUANE KNIGHT 2121 ALTON PARKWAY STE 250 IRVINE, CA 92606	DEVELOPMENT MGR 45	123,532.	3,750.	0.
KATHY CROSS 2121 ALTON PARKWAY STE 250 IRVINE, CA 92606	PLANNING MGR 45	93,244.	3,625.	0.
RACHEL KNAPP 2121 ALTON PARKWAY STE 250 IRVINE, CA 92606	ACCOUNTANT 40	58,100.	2,350.	0.
MARILEE DRAGSDAHL 2121 ALTON PARKWAY STE 250 IRVINE, CA 92606	EDUCATION MGR 40	63,532.	2,237.	0.
JEFF BRITTING 2121 ALTON PARKWAY STE 250 IRVINE, CA 92606	ARCHIVES MGR 40	78,572.	2,957.	0.
TOTAL		\$ 416,980.	\$ 14,919.	\$ 0.

**STATEMENT 17
SCHEDULE A, PART III, LINE 2
TRANSACTIONS WITH TRUSTEES, DIRECTORS, ETC.**

THE ORGANIZATION REIMBURSED RYB ENTERPRISES FOR TRAVEL EXPENSES INCURRED WHILE PROVIDING LECTURES AND PUBLIC OUTREACH TO THE PUBLIC. RYB ENTERPRISES IS OWNED BY YARON BROOK, THE ORGANIZATIONS PRESIDENT.

THE ORGANIZATION PAID MICHAEL FERGUSON (THE HUSBAND OF JULIE FERGUSON, TREASURER AND VICE PRESIDENT OF FINANCE AND ADMINISTRATION FOR THE ORGANIZATION) \$575 FOR DATABASE PROGRAMMING SERVICES PERFORMED.

2/05/07

01:24PM

**STATEMENT 18
SCHEDULE A, PART III, LINE 3
QUALIFICATIONS OF RECIPIENTS RECEIVING GRANTS OR LOANS**

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 OF OUTLINES AND SCHEDULES, DRAFTS AND WILLINGNESS TO UNDERGO PERIODIC EVALUATIONS BY ARI OR ITS APPOINTEE, AND SUBJECT TO ARI'S APPROVAL TERMS.

**STATEMENT 19
SCHEDULE A, PART IV-A, LINE 22
OTHER INCOME**

<u>DESCRIPTION</u>	<u>(A) 2004</u>	<u>(B) 2003</u>	<u>(C) 2002</u>	<u>(D) 2001</u>	<u>(E) TOTAL</u>
BOOKS AND MISC	\$ 9,382.	\$ 46,945.	\$ 39,964.	\$ 32,616.	\$ 128,907.
TOTAL	<u>\$ 9,382.</u>	<u>\$ 46,945.</u>	<u>\$ 39,964.</u>	<u>\$ 32,616.</u>	<u>\$ 128,907.</u>