

Form **990-PF**

**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

OMB No. 1545-0052

2005

Department of the Treasury
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2005, or tax year beginning **4/01/05**, and ending **3/31/06**

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of organization
ALAVI FOUNDATION

Number and street (or P.O. box number if mail is not delivered to street address) Room/suite
500 FIFTH AVENUE 2320

City or town, state, and ZIP code
NEW YORK NY 10110

A Employer identification number
23-7345978

B Telephone number (see page 10 of the instructions)
212-944-8333

C If exemption application is pending, check here

D 1. Foreign organizations, check here
2. Foreign organizations meeting the 85% test, check here and attach computation

E If private foundation status was terminated under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 87,432,898** (Part I, column (d) must be on cash basis.)

J Accounting method: Cash Accrual
 Other (specify) _____

| Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), & (d) may not necessarily equal the amounts in column (a) (see page 11 of the instr.)) | | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|---|--|------------------------------------|---------------------------|-------------------------|---|
| Revenue | 1 Contributions, gifts, grants, etc., received (attach schedule) ... | 10,328 | | | |
| | 2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B | | | | |
| | 3 Interest on savings and temporary cash investments | 229,326 | 229,326 | | |
| | 4 Dividends and interest from securities | 127,435 | 127,435 | | |
| | 5a Gross rents | 115,125 | 115,125 | | |
| | b Net rental income or (loss) 115,125 | | | | |
| | 6a Net gain/(loss) from sale of assets not on ln. 10 | | | | |
| | b Gross sales price for all assets on line 6a | | | | |
| | 7 Capital gain net income (from Part IV, line 2) | | 0 | | |
| | 8 Net short-term capital gain | | | 0 | |
| | 9 Income modifications | | | | |
| | 10a Gross sales less returns and allowances | | | | |
| b Less: Cost of goods sold | | | | | |
| c Gross profit or (loss) (attach schedule) | | | | | |
| 11 Other income (attach schedule) Stmt 1 | 3,884,354 | 3,884,354 | | | |
| 12 Total. Add lines 1 through 11 | 4,366,568 | 4,356,240 | 0 | | |
| Operating and Administrative Expenses | 13 Compensation of officers, directors, trustees, etc. | 133,192 | 40,425 | | 93,169 |
| | 14 Other employee salaries and wages | 83,285 | 14,598 | | 68,686 |
| | 15 Pension plans, employee benefits | 81,077 | 14,295 | | 63,720 |
| | 16a Legal fees (attach schedule) See Stmt 2 | 61,660 | | | 61,660 |
| | b Accounting fees (attach schedule) Stmt 3 | 16,626 | | | 16,626 |
| | c Other professional fees (att. schedule) Stmt 4 | 54,599 | 21,990 | | 32,609 |
| | 17 Interest | | | | |
| | 18 Taxes (att. schedule) (see pg. 14 of the instr.) Stmt 5 | 43,894 | | | 1,500 |
| | 19 Depreciation (att. schedule) & depletion Stmt 6 | 476,092 | 2,024 | | |
| | 20 Occupancy | 44,574 | 6,524 | | 34,222 |
| | 21 Travel, conferences, and meetings | 27,072 | 5,414 | | 30,117 |
| | 22 Printing and publications | 303,476 | 4,615 | | 301,861 |
| | 23 Other exps. (att. sch.) Stmt 7 | 95,413 | 9,004 | | 137,597 |
| | 24 Total operating and administrative expenses. Add lines 13 through 23 | 1,420,960 | 118,889 | | 841,767 |
| | 25 Contributions, gifts, grants paid | 4,444,465 | | | 4,444,465 |
| 26 Total expenses and disbursements. Add lines 24 and 25 | 5,865,425 | 118,889 | 0 | 5,286,232 | |
| 27 Subtract line 26 from line 12: | | | | | |
| a Excess of revenue over expenses and disbursements | -1,498,857 | | | | |
| b Net investment income (if negative, enter -0-) | | 4,237,351 | | | |
| c Adjusted net income (if negative, enter -0-) | | | 0 | | |

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

Form **990-PF** (2005)

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

| | Beginning of year | End of year | |
|--|-------------------|----------------|-----------------------|
| | (a) Book Value | (b) Book Value | (c) Fair Market Value |
| Assets | | | |
| 1 Cash-non-interest-bearing | 85,371 | 136,719 | 136,719 |
| 2 Savings and temporary cash investments | 8,356,964 | 6,800,489 | 6,800,489 |
| 3 Accounts receivable | | | |
| Less: allowance for doubtful accounts | | | |
| 4 Pledges receivable | | | |
| Less: allowance for doubtful accounts | | | |
| 5 Grants receivable | | | |
| 6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions) | | | |
| 7 Other notes and loans receivable See Wrk 3,831,935 | | | |
| Less: allowance for doubtful accounts | 2,305,835 | 3,831,935 | 3,831,935 |
| 8 Inventories for sale or use | | | |
| 9 Prepaid expenses and deferred charges | | | |
| 10a Investments-U.S. and state government obligations (attach schedule) | | | |
| b Investments-corporate stock (attach schedule) See Stmt | 99,163 | 99,163 | 24,992 |
| c Investments-corporate bonds (attach schedule) | | | |
| 11 Investments-land, buildings, and equipment: basis 2,196,127 | | | |
| Less: accumulated depreciation | 2,174,484 | 2,196,127 | 1,400,000 |
| 12 Investments-mortgage loans | | | |
| 13 Investments-other (attach schedule) See Statement | 9,100,463 | 7,948,961 | 58,649,890 |
| 14 Land, buildings, and equipment: basis 22,282,823 | | | |
| Less: accumulated depreciation See Stmt 7,222,321 | 15,451,595 | 15,060,502 | 15,060,502 |
| 15 Other assets (describe See Statement) | 99,449 | 84,028 | 84,028 |
| 16 Total assets (to be completed by all filers-see page 16 of the instructions. Also, see page 1, item I) | 37,673,324 | 36,157,924 | 85,988,555 |
| Liabilities | | | |
| 17 Accounts payable and accrued expenses | 133,263 | 88,850 | |
| 18 Grants payable | | | |
| 19 Deferred revenue | | | |
| 20 Loans from officers, directors, trustees, and other disqualified persons | | | |
| 21 Mortgages and other notes payable (att. schedule) | | | |
| 22 Other liabilities (describe See Statement) | | 27,871 | |
| 23 Total liabilities (add lines 17 through 22) | 133,263 | 116,721 | |
| Net Assets or Fund Balances | | | |
| Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31. | | | |
| 24 Unrestricted | 37,540,061 | 36,041,203 | |
| 25 Temporarily restricted | | | |
| 26 Permanently restricted | | | |
| Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31. | | | |
| 27 Capital stock, trust principal, or current funds | | | |
| 28 Paid-in or capital surplus, or land, bldg., and equipment fund | | | |
| 29 Retained earnings, accumulated income, endowment, or other funds | | | |
| 30 Total net assets or fund balances (see page 17 of the instructions) | 37,540,061 | 36,041,203 | |
| 31 Total liabilities and net assets/fund balances (see page 17 of the instructions) | 37,673,324 | 36,157,924 | |

Part III Analysis of Changes in Net Assets or Fund Balances

| | | |
|--|---|------------|
| 1 Total net assets or fund balances at beginning of year-Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) | 1 | 37,540,061 |
| 2 Enter amount from Part I, line 27a | 2 | -1,498,857 |
| 3 Other increases not included in line 2 (itemize) | 3 | |
| 4 Add lines 1, 2, and 3 | 4 | 36,041,204 |
| 5 Decreases not included in line 2 (itemize) See Statement | 5 | 1 |
| 6 Total net assets or fund balances at end of year (line 4 minus line 5)-Part II, column (b), line 30 | 6 | 36,041,203 |

Part XV Supplementary Information (continued)

3- Grants and Contributions Paid During the Year or Approved for Future Payment

| Recipient Name and address (home or business) | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|--|--|--------------------------------------|-------------------------------------|------------------|
| a Paid during the year CONTRIBUTION | NONE | PUBLIC | | |
| SEE ATTACHED | DONATION/EDUCATIONAL/RELIGI | | | 4,074,600 |
| PUBLICATION & BOOK DIST | NONE | PUBLIC | | |
| SEE ATTACHED | EDUCATIONAL | | | 71,000 |
| CONTRIBUTION TO SCHOOLS | NONE | PUBLIC | | |
| FOR FARSI PROGRAM | EDUCATIONAL | | | 298,865 |
| SEE ATTACHED | | | | |
| Total | | | | 4,444,465 |
| b Approved for future payment | | | | |
| N/A | | | | |
| Total | | | | |

ALAVI FOUNDATION
ID #23-7345978
ATTACHMENT TO FORM 990-PF
FOR THE YEAR ENDED 3/31/2006

RE: PAGE 7 – PART 1X-B – LINE 1 – PROGRAM-RELATED INVESTMENT:

INTEREST FREE LOANS TO PUBLIC CHARITIES:

| <u>Name</u> | <u>Foundation Status</u> | <u>Purpose of Loan</u> | <u>Balance 3/31/06</u> |
|--|------------------------------|----------------------------|----------------------------|
| Islamic Center of Portland | Public Charity | Property purchase | \$ 200,000 |
| Islamic Education Center of San Diego | Public Charity | Property purchase | 1,225,000 |
| Islamic Center of Ahl' Albait | Public Charity | Refund on overpayment | 2,000 |
| Shia Association of Bay Area | Public Charity | Property purchase | 500,000 |
| The Islamic Message Group | Public Charity | Construction of Center | <u>90,000</u> |
| | | | <u>\$ 2,017,000</u> |

ALAVI FOUNDATION
ID # 23-7345978
ATTACHMENT OT FORM 990-PF
FOR THE YEAR ENDED 3/31/2006

Re: Page 10-Part XV - Line 3 - Contributions Paid

Domestic Contributions

| | | |
|---|-------------------------------------|------------|
| Ahlul Bayt Mosque, Inc. | | 95,000.00 |
| Al Zahra Islamic Center | Previous Loan Converted to Donation | 25,000.00 |
| American Moslem Foundation | Previous Loan Converted to Donation | 55,000.00 |
| Babul Ilm Islamic Center | Previous Loan Converted to Donation | 150,000.00 |
| Binghamton University | | 5,000.00 |
| California State University - Los Angeles | | 2,000.00 |
| Catholic University of America | | 75,000.00 |
| Child Foundation: Hurricane Katrina | | 50,000.00 |
| City of Knowledge | | 30,000.00 |
| Harvard University | | 36,000.00 |
| Hejrat Educational Center | | 270,000.00 |
| Hunter College | | 6,000.00 |
| Interfaith Freedom Foundation | | 3,000.00 |
| Iranian-Armenian Society Inc. | | 3,000.00 |
| Islamic Center of Portland | | 400,000.00 |
| Islamic Education Center | | 165,000.00 |
| Islamic Institute of Ahl'Albait | Previous Loan Converted to Donation | 16,500.00 |
| Islamic Institute of New York | | 162,000.00 |
| Islamic Message Group | | 120,000.00 |
| Jafria Association of North America | Previous Loan Converted to Donation | 100,000.00 |
| Manassas Mosque | | 53,000.00 |
| Masoomen School of Islamic Education | | 3,000.00 |
| McGill University | | 30,000.00 |
| Muslim Community School | | 203,000.00 |
| Muslim Foundation, Inc. | | 230,000.00 |
| Noor Center Corporation | | 55,000.00 |
| Portland State University Foundation | | 47,500.00 |
| Razi School | | 300,000.00 |
| Rutgers Foundation | | 75,000.00 |
| Rutgers University | | 161,500.00 |
| Rutgers University | | 2,100.00 |
| Sacred Heart University | | 10,000.00 |
| Shia Association of Bay Area | | 500,000.00 |
| Shia Islamic Education Center | | 300,000.00 |

ALAVI FOUNDATION
ID # 23-7345978
ATTACHMENT OT FORM 990-PF
FOR THE YEAR ENDED 3/31/2006

Re: Page 10-Part XV - Line 3 - Contributions Paid (Continued)

| | |
|---|-------------------------------------|
| The Islamic Message Group | 90,000.00 |
| Universal Muslim Association of America | 100,000.00 |
| University of Pennsylvania | 40,000.00 |
| University of Southern California | 10,000.00 |
| Western Behavioral Sciences Institute | 3,000.00 |
| William J. Clinton Foundation | 30,000.00 |
| Women for Women International | 3,000.00 |
| Zainabia Nonprofit Inc | 45,000.00 |
| Zainabia Nonprofit Inc | 15,000.00 |
| | Previous Loan Converted to Donation |
| Total Domestic Contributions | <u>4,074,600.00</u> |

Book Publication / Distribution Contribution

| | |
|---|-------------------------|
| Islamic Education Center | 51,000.00 |
| Quran Account Inc | 20,000.00 |
| Total Book Publication / Distribution Contribution | <u>71,000.00</u> |

Weekend Persian School Contributions

| | |
|---|--------------------------|
| Anjuman-E-Haideri | 22,000.00 |
| Az-Zahra Center, Inc. | 9,050.00 |
| Imam Reza Foundation - | 6,000.00 |
| Islamic Education Center | 19,000.00 |
| Islamic House of Wisdom | 8,000.00 |
| Jafria Assoc. of North America | 14,400.00 |
| Noor Center Corporation | 12,000.00 |
| Oklahoma Farsi School | 11,900.00 |
| Pars Academy Inc. | 14,600.00 |
| Persian Cultural Club | 80,000.00 |
| Persian Language Institute Inc | 20,315.00 |
| Razi School | 18,200.00 |
| Sahebozaman Islamic Center | 13,400.00 |
| Toronto Farsi School | 50,000.00 |
| Total Weekend Persian School Contributions | <u>298,865.00</u> |

GRAND TOTAL

4,444,465.00