

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)

2005

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 2005 calendar year, or tax year beginning and ending

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

Please use IRS label or print or type See Specific Instructions

C Name of organization
COUNCIL ON AMERICAN-ISLAMIC RELATIONS, INC

D Employer identification number
52-1887951

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
453 NEW JERSEY AVENUE SE

E Telephone number
202-488-8787

City or town, state or country, and ZIP + 4
WASHINGTON, DC 20003

F Accounting method Cash Accrual
 Other (specify) _____

G Website: **WWW.CAIR.COM**

J Organization type (check only one) 501(c) (**4**) (insert no) 4947(a)(1) or 527

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 chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

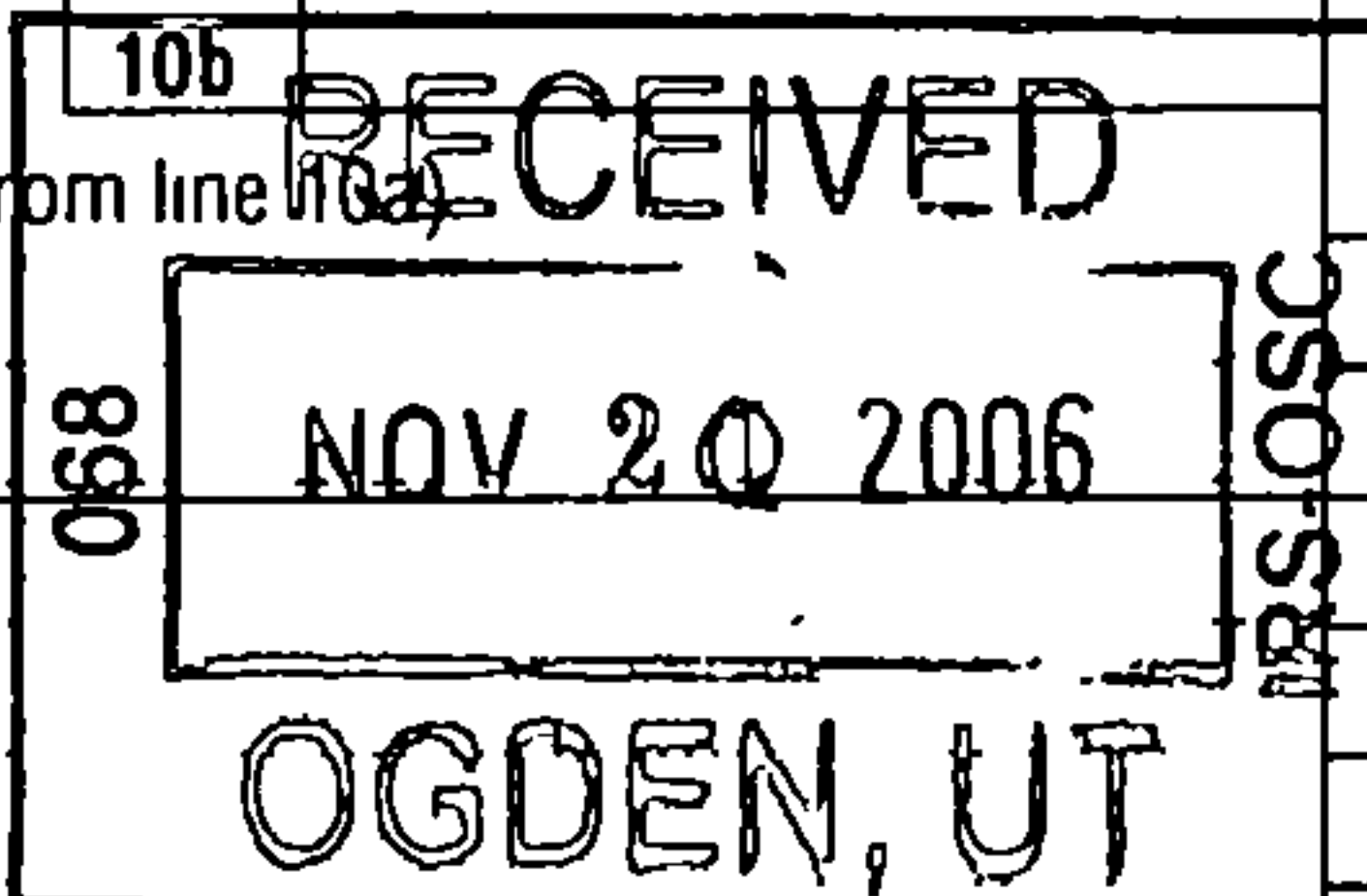
L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **2,465,536.**

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 **N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number **N/A**
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

		1a		1b		1c		1d	
Revenue	1 Contributions, gifts, grants, and similar amounts received:								
	a Direct public support		1,667,057.						
	b Indirect public support								
	c Government contributions (grants)								
	d Total (add lines 1a through 1c) (cash \$ 1,667,057. noncash \$ _____)								1,667,057.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)								528,427.
	3 Membership dues and assessments								65,377.
	4 Interest on savings and temporary cash investments								
	5 Dividends and interest from securities								
	6 a Gross rents SEE STATEMENT 1	6a	157,190.						
b Less: rental expenses SEE STATEMENT 2	6b	107,031.							
c Net rental income or (loss) (subtract line 6b from line 6a)	6c							50,159.	
7 Other investment income (describe _____)	7								
8 a Gross amount from sales of assets other than inventory	(A) Securities								
	(B) Other								
	8a								
	8b								
c Gain or (loss) (attach schedule)	8c								
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d								
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	a Gross revenue (not including \$ 84,936. of contributions reported on line 1a)	9a	47,485.						
	b Less: direct expenses other than fundraising expenses	9b	106,979.						
	c Net income or (loss) from special events (subtract line 9b from line 9a) SEE STATEMENT 3	9c							-59,494.
10 a Gross sales of inventory, less returns and allowances	10a								
	b Less: cost of goods sold	10b							
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c							
11 Other revenue (from Part VII, line 103)	11								
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12							2,251,526.	
Expenses	13 Program services (from line 44, column (B))	13						1,384,057.	
	14 Management and general (from line 44, column (C))	14						380,950.	
	15 Fundraising (from line 44, column (D))	15						535,555.	
	16 Payments to affiliates (attach schedule)	16							
	17 Total expenses (add lines 16 and 44, column (A))	17							2,300,562.
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18							-49,036.	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19							4,965,917.	
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							4,916,881.	

SCANNED DEC 14 2006



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COUNCIL ON AMERICAN-ISLAMIC RELATIONS,

Form 990 (2005)

INC

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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 (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc **	253,310.	177,696.	47,682.	27,932.
26	Other salaries and wages	744,556.	497,177.	73,507.	173,872.
27	Pension plan contributions	15,259.	10,303.	2,584.	2,372.
28	Other employee benefits	127,047.	69,049.	22,452.	35,546.
29	Payroll taxes	78,775.	45,716.	11,341.	21,718.
30	Professional fundraising fees				
31	Accounting fees	28,583.	11,224.	6,308.	11,051.
32	Legal fees	73,238.	68,358.	4,880.	
33	Supplies	13,807.	9,721.	851.	3,235.
34	Telephone	57,130.	37,918.	9,717.	9,495.
35	Postage and shipping	115,513.	37,035.	3,356.	75,122.
36	Occupancy	6,591.	3,138.	850.	2,603.
37	Equipment rental and maintenance				
38	Printing and publications	200,609.	171,559.	346.	28,704.
39	Travel	124,811.	28,487.	8,683.	87,641.
40	Conferences, conventions, and meetings	68,631.	450.	409.	67,772.
41	Interest	1,706.		1,706.	
42	Depreciation, depletion, etc (attach schedule)	67,543.	0.	67,543.	0.
43	Other expenses not covered above (itemize)				
a					
b					
c					
d					
e					
f					
g	SEE STATEMENT 4	323,453.	216,226.	118,735.	-11,508.
44	Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,300,562.	1,384,057.	380,950.	535,555.

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 \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;

(iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

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** SEE STATEMENT 5

Part III Statement of Program Service Accomplishments (See the instructions)

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 6	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
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.)	
a <u>THE ORGANIZATION WORKS WITH VARIOUS INTELLIGENCIA & MEDIA TO PROMOTE BETTER UNDERSTANDING OF ISLAM AND MUSLIMS IN NORTH AMERICA AND IN THE SOCIETY AS A WHOLE.</u>	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	941,159.
b <u>THE ORGANIZATION ALSO RESPONDS TO REQUESTS FOR DONATIONS OF INFORMATIVE BOOKS AND PUBLICATIONS ABOUT ISLAM AND MUSLIMS FOR LIBRARIES.</u>	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	442,898.
c	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	1,384,057.

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INC**

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Part IV Balance Sheets (See the instructions)

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

		(A)		(B)	
		Beginning of year		End of year	
Assets	45	Cash - non-interest-bearing	1,683,904.	45	1,410,505.
	46	Savings and temporary cash investments		46	
	47 a	Accounts receivable	47a 142,145.		
	b	Less allowance for doubtful accounts	47b	47c	142,145.
	48 a	Pledges receivable	48a 68,580.		
	b	Less allowance for doubtful accounts	48b 11,194.	48c	57,386.
	49	Grants receivable		49	
	50	Receivables from officers, directors, trustees, and key employees	21,204.	50	9,864.
	51 a	Other notes and loans receivable	51a 200,000.		
	b	Less allowance for doubtful accounts	51b	51c	200,000.
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges	17,277.	53	30,087.
	54	Investments - securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a	Investments - land, buildings, and equipment basis	55a 2,112,580.		
	b	Less accumulated depreciation STMT 7	55b 11,087.	55c	2,101,493.
56	Investments - other		56		
57 a	Land, buildings, and equipment, basis	57a 2,873,581.			
b	Less accumulated depreciation STMT 8	57b 511,117.	57c	2,362,464.	
58	Other assets (describe ▶ _____)	718,500.	58	0.	
59	Total assets (must equal line 74) Add lines 45 through 58	5,256,095.	59	6,313,944.	
Liabilities	60	Accounts payable and accrued expenses	45,736.	60	160,608.
	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	239,609.	64b	1,227,979.
	65	Other liabilities (describe ▶ SEE STATEMENT 9)	4,833.	65	8,476.
66	Total liabilities. Add lines 60 through 65)	290,178.	66	1,397,063.	
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	4,965,917.	67	4,261,182.
	68	Temporarily restricted		68	655,699.
	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)	4,965,917.	73	4,916,881.	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73	5,256,095.	74	6,313,944.	

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Part VI Other Information (continued)

		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?		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)		
	82b	N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		
		N/A	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
		N/A	
85	501(c)(4), (5), or (6) organizations		
a	Were substantially all dues nondeductible by members?		X
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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	X	
c	Dues, assessments, and similar amounts from members		
	85c	N/A	
d	Section 162(e) lobbying and political expenditures		
	85d	N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e	N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f	N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
		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?		
		N/A	
86	501(c)(7) organizations		
a	Initiation fees and capital contributions included on line 12		
	86a	N/A	
b	Gross receipts, included on line 12, for public use of club facilities		
	86b	N/A	
87	501(c)(12) organizations		
a	Gross income from members or shareholders		
	87a	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)		
	87b	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	X	
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 ▶ <u>N/A</u> ; section 4912 ▶ <u>N/A</u> ; section 4955 ▶ <u>N/A</u>		
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		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ <u>0.</u>		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ <u>0.</u>		
90 a	List the states with which a copy of this return is filed ▶ <u>DC</u>		
b	Number of employees employed in the pay period that includes March 12, 2005	90b	25
91 a	The books are in care of ▶ <u>THE ORGANIZATION</u> Telephone no. ▶ <u>202-488-8787</u> Located at ▶ <u>453 NEW JERSEY AVE SE, WASHINGTON, DC, WASHINGTON</u> ZIP + 4 ▶ <u>20003</u>		
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 ▶ <u>N/A</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts	91b	X
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 ▶ <u>N/A</u>	91c	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 ▶ <u>N/A</u>	92	

Form 990 (2005)

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

	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	
Note: Enter gross amounts unless otherwise indicated.					
93 Program service revenue:					
a SALE OF PUBLICATIONS					9,927.
b LIBRARY PROJECT					25,010.
c QURAN PROJECT					465,327.
d MISCELLANEOUS					8,236.
e CONFERENCES/WORKSHOPS					19,927.
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					65,377.
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property	531110	10,150.			0.
b not debt-financed property			16	40,009.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					-59,494.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		10,150.		40,009.	534,310.
105 Total (add line 104, columns (B), (D), and (E))					584,469.

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).
▼	SEE STATEMENT 16

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
SEE STATEMENT 15	%			
	%			
	%			
	%			

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).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: *[Signature]* Date: 11/15/06 Type or print name and title: Nihad Awad ED

Paid Preparer's Use Only: Preparer's signature: *[Signature]* Date: 11/14/06 Check if self-employed: Preparer's SSN or PTIN:
 Firm's name (or yours if self-employed), address, and ZIP + 4: MILLER MUSMAR, PC 1861 WIEHLE AVENUE, SUITE 125 RESTON, VA 20190 EIN:
 Phone no.: 703-437-8877

2005 DEPRECIATION AND AMORTIZATION REPORT
 FORM 990 PAGE 2
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Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
10	453 NEW JERSEY/LAND	091599L				512,000.			512,000.			0.
12	(D)208 G STREET/LAND BOOK/TAX VARIANCE ON	091599L				35,908.			35,908.			0.
94	DISPOSAL OF ASSETS 12&091599NC * 990 PAGE 2 TOTAL OTHER			.000		11,493.			11,493.			0.
						559,401.		0.	559,401.		0.	0.
1	PROGRAM SERVICES FURNITURE/OFFICE EQUIPMENT 75%	060198200DB		7.00	17	22,247.			22,247.	21,254.		993.
4	FURNITURE/OFFICE EQUIPMENT 75%	060199200DB		7.00	17	15,479.			15,479.	13,407.		1,381.
7	453 NEW JERSEY/BUILDING 75%	091599SL		35.00	16	1,535,635.			1,535,635.	230,344.		43,875.
11	(D)208 G STREET/BUILDING FURNITURE/OFFICE	091599SL		35.00	16	143,632.			143,632.	21,545.		0.
13	EQUIPMENT 75%	060100200DB		7.00	17	7,680.			7,680.	5,966.		686.
16	FURNITURE/OFFICE EQUIPMENT 75%	060101200DB		7.00	17	11,850.			11,850.	8,149.		1,057.
19	COMPUTERS 75%	060101200DB		5.00	17	2,561.			2,561.	2,119.		295.
25	COMPUTER/HOOPER	032302200DB		5.00	17	3,509.			3,509.	2,499.		404.
28	SONY CAMERA/IQBAL 80% 453 NEW JERSEY/BASIS	040902200DB		5.00	17	2,867.			2,867.	2,041.		330.
35	COSTS 75%	090602SL		35.00	16	38,524.			38,524.	2,569.		1,101.
38	CAMERS-M. ELKOT	060903200DB		5.00	17	600.			600.	312.		115.
39	COMPUTER/BAYOUMI	040703200DB		5.00	17	1,020.			1,020.	530.		196.
41	DELL SYSTEM-1	062503200DB		5.00	17	788.			788.	410.		151.

528102
 01-06-06
 (D) - Asset disposed
 * ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

2005 DEPRECIATION AND AMORTIZATION REPORT
FORM 990 PAGE 2

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Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
42	DELL SYSTEM-2	062503	200DB	5.00	17	658.			658.	342.		126.
43	DELL SYSTEM-3	062503	200DB	5.00	17	688.			688.	358.		132.
44	DELL SYSTEM-4	062503	200DB	5.00	17	548.			548.	285.		105.
46	DELL SYSTEM-6	062503	200DB	5.00	17	623.			623.	324.		120.
47	PRINTER-KHALID	072203	200DB	5.00	17	1,084.			1,084.	564.		208.
48	DIGITAL CAMERA	062904	4SL	7.00	16	926.			926.	66.		132.
49	DELL COMPUTER	081104	4SL	5.00	16	1,109.			1,109.	93.		222.
50	DELL COMPUTER	121304	4SL	5.00	16	525.			525.	9.		105.
51	LAPTOP	010704	4SL	5.00	16	2,372.			2,372.	474.		474.
52	PRINTER	042904	4SL	5.00	16	715.			715.	107.		143.
53	COMPUTER HARDWARE	051004	4SL	5.00	16	100.			100.	13.		20.
54	COMPUTER HARDWARE	052304	4SL	5.00	16	167.			167.	22.		33.
55	COMPUTER HARDWARE	071504	4SL	5.00	16	709.			709.	71.		142.
56	COMPUTER	090304	4SL	5.00	16	1,174.			1,174.	78.		235.
57	COMPUTER	090304	4SL	5.00	16	669.			669.	45.		134.
58	NEW ROOF-HEADQUARTERS	123104	4SL	15.00	16	25,000.			25,000.	1,667.		1,667.
59	NEW COOLING-HEADQUARTERS	123104	4SL	7.00	16	22,500.			22,500.	3,214.		3,214.
60	CAPITAL LEASE #10615	083104	4SL	5.00	16	35,200.			35,200.	2,347.		7,040.

528102
01-08-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

2005 DEPRECIATION AND AMORTIZATION REPORT
FORM 990 PAGE 2

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Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
61	CAPITAL LEASE #10612	070801	SL	5.00	16	18,859.			18,859.	13,202.		3,772.
	* 990 PAGE 2 TOTAL					1,900,018.		0.	1,900,018.	334,426.	0.	68,608.
	PROGRAM SERVICES											
	MANAGEMENT AND GENERAL											
	FURNITURE/OFFICE											
2	EQUIPMENT 10%	060198	200DB	7.00	17	2,966.			2,966.	2,834.		132.
	FURNITURE/OFFICE											
5	EQUIPMENT 10%	060199	200DB	7.00	17	2,064.			2,064.	1,787.		185.
	453 NEW											
8	JERSEY/BUILDING 10%	091599	SL	35.00	16	204,751.			204,751.	30,713.		5,850.
	FURNITURE/OFFICE											
14	EQUIPMENT 10%	060100	200DB	7.00	17	1,024.			1,024.	795.		92.
	FURNITURE/OFFICE											
17	EQUIPMENT 10%	060101	200DB	7.00	17	1,580.			1,580.	1,086.		141.
	COMPUTERS 10%											
20	COMPUTERS 10%	060101	200DB	5.00	17	341.			341.	282.		39.
	COMPUTER/IQBAL											
22	COMPUTER/IQBAL	020502	200DB	5.00	17	1,579.			1,579.	1,124.		182.
	FURNITURE/OFFICE											
23	EQUIPMENT/IQBAL	021202	200DB	7.00	17	754.			754.	425.		94.
	FURNITURE/OFFICE											
24	EQUIPMENT/SIEMENS	022602	200DB	7.00	17	656.			656.	370.		82.
	FURNITURE/OFFICE											
27	EQUIPMENT/STAPLES	040602	200DB	7.00	17	495.			495.	279.		62.
	DELL											
31	COMPUTER/O.M.AHMAD	081402	200DB	5.00	17	1,641.			1,641.	1,168.		189.
	COMPUTER/IQBAL											
32	COMPUTER/IQBAL	110702	200DB	5.00	17	1,860.			1,860.	1,324.		214.
	COMPUTER/RASHEED											
33	COMPUTER/RASHEED	122402	200DB	5.00	17	600.			600.	427.		69.
	453 NEW JERSEY/BASIS											
36	COSTS 10%	090602	SL	35.00	16	5,136.			5,136.	343.		147.
	COMPUTER/TOOR											
40	COMPUTER/TOOR	040703	200DB	5.00	17	846.			846.	440.		162.

528102
01-08-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

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Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
45	DELL SYSTEM-5 PHOTO	06250320	DB5.00	5.00	17	1,192.			1,192.	620.		229.
62	COPIER/FAX/PRINTER	021005	SL	5.00	16	618.			618.			113.
63	VENDING MACHINE	032205	SL	7.00	16	1,147.			1,147.			123.
64	DISPLAY BOARD	081205	SL	7.00	16	5,000.			5,000.			298.
65	DISPLAY BOARD	090805	SL	7.00	16	6,608.			6,608.			315.
66	SONY DVD RECORDER	092805	SL	5.00	16	1,406.			1,406.			70.
67	FLAT PANEL MONITORS-4	082105	SL	5.00	16	1,394.			1,394.			93.
68	DELL CPU 2.8GH	090805	SL	5.00	16	465.			465.			31.
69	DELL OPTIPLEX CPU	092205	SL	5.00	16	2,639.			2,639.			132.
70	FLAT PANEL MONITORS-10	101305	SL	5.00	16	2,463.			2,463.			123.
71	LAPTOP	102705	SL	5.00	16	1,859.			1,859.			62.
72	DELL POWER EDGE SERVER	102705	SL	5.00	16	4,801.			4,801.			160.
	* 990 PAGE 2 TOTAL MANAGEMENT AND GENERAL					255,885.		0.	255,885.	44,017.	0.	9,389.
	FUNDRAISING											
	FURNITURE/OFFICE											
3	EQUIPMENT 15%	060198	200DB7.00	7.00	17	4,449.			4,449.	4,250.		199.
6	FURNITURE/OFFICE											
6	EQUIPMENT 15%	060199	200DB7.00	7.00	17	3,096.			3,096.	2,681.		277.
	453 NEW											
9	NEW JERSEY/BUILDING 15%	091599	SL	35.00	16	307,127.			307,127.	46,069.		8,775.
	FURNITURE/OFFICE											
15	EQUIPMENT 15%	060100	200DB7.00	7.00	17	1,536.			1,536.	1,194.		137.

528102
01-06-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

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990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
18	FURNITURE/OFFICE EQUIPMENT 15%	060101200	DB	7.00	17	2,370.			2,370.	1,630.		211.
21	COMPUTERS 15% COMPUTER/STALLION	060101200	DB	5.00	17	512.			512.	423.		59.
26	TECHNOLOGY	040402200	DB	5.00	17	8,623.			8,623.	6,140.		993.
29	SONY CAMERA/IQBAL 20%	040902200	DB	5.00	17	717.			717.	511.		82.
30	INTELLECT COMPUTERS IPAQ 3955	061202200	DB	5.00	17	1,033.			1,033.	735.		119.
34	COMPUTER/KHAFAGI 453 NEW JERSEY/BASIS	123102200	DB	5.00	17	649.			649.	462.		75.
37	COSTS 15%	090602	SL	35.00	16	7,705.			7,705.	513.		220.
	* 990 PAGE 2 TOTAL FUNDRaising					337,817.		0.	337,817.	64,608.	0.	11,147.
	* GRAND TOTAL 990 PAGE 2 DEPR					3,053,121.		0.	3,053,121.	443,051.	0.	89,144.

FORM 990 RENTAL INCOME STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
453 NEW JERSEY AVE SE WASHINGTON DC 20003	1	
203-5 K ST NE WASHINGTON DC	2	128,045.
	3	29,145.
TOTAL TO FORM 990, PART I, LINE 6A		157,190.

FORM 990 RENTAL EXPENSES STATEMENT 2

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
453 NEW JERSEY AVE SE WASHINGTON DC 20003		88,036.	
- SUBTOTAL -	2		88,036.
DEPRECIATION		11,087.	
203-5 K ST NE WASHINGTON DC		7,908.	
- SUBTOTAL -	3		18,995.
TOTAL TO FORM 990, PART I, LINE 6B			107,031.

FORM 990 SPECIAL EVENTS AND ACTIVITIES STATEMENT 3

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
ANNUAL DINNER	132,421.	84,936.	47,485.	106979.	-59,494.
TO FM 990, PART I, LINE 9	132,421.	84,936.	47,485.	106979.	-59,494.

FORM 990

OTHER EXPENSES

STATEMENT 4

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
ADVERTISING & MARKETING	20,399.	18,649.	15.	1,735.
CONTRACT WAGES	9,475.	7,100.	175.	2,200.
CONSULTANT HONORARIUM	5,587.	5,587.		
CAIR CHAPTERS	9,250.	500.	50.	8,700.
DUES & SUBSCRIPTIONS	36,163.	32,702.	202.	3,259.
INSURANCE	13,432.	13,223.	104.	105.
MAINTENANCE	27,954.	13,120.	11,686.	3,148.
OFFICE EXPENSE	30,275.	15,138.	11,504.	3,633.
PUBLIC RELATIONS	14,022.	6,907.	4,551.	2,564.
RESEARCH & INFORMATION SERVICES	59,964.	59,964.		
SECURITY SERVICE	50,677.	41,838.	2,229.	6,610.
BAD DEBTS	411.	411.		
CASUAL LABOR	6,100.	1,087.	5,013.	
BANK SERVICE CHARGES	432.		432.	
FUNDRAISING	99.		99.	
GAAP REPORTING EXPENSE	2,328.		2,328.	
LICENSES & PERMITS	4.		4.	
MISCELLANEOUS	225.		225.	
REPAIRS	689.		689.	
UTILITIES	41,742.		41,742.	
TAXES	3,176.		3,176.	
PENALTIES	34,453.		34,453.	
COMMISSION-CREDIT CARD EXPENSE	58.		58.	
EVENT EXPENSES	14,201.			14,201.
FUNDRAISING ANNUAL DINNER	3,018.			3,018.
ADJUSTMENT	46,298.			46,298.
	-106,979.			-106,979.
TOTAL TO FM 990, LN 43	323,453.	216,226.	118,735.	-11,508.

FORM 990

OFFICER COMPENSATION ALLOCATION
PART II, LINE 25

STATEMENT 5

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
NIHAD AWAD	101,440.	10,815.		112,255.
A. PROGRAM SERVICES	57,821.	6,165.		63,986.
B. MANAGEMENT AND GENERAL	25,360.	2,704.		28,064.
C. FUNDRAISING	18,259.	1,946.		20,205.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
CARY DOUGLAS HOOPER	77,464.	11,731.		89,195.
A. PROGRAM SERVICES	77,464.	11,731.		89,195.
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
KHALID IQBAL	74,406.	9,280.		83,686.
A. PROGRAM SERVICES	42,411.	5,290.		47,701.
B. MANAGEMENT AND GENERAL	22,322.	2,784.		25,106.
C. FUNDRAISING	9,673.	1,206.		10,879.

TOTAL PROGRAM SERVICES				200,882.
TOTAL MANAGEMENT AND GENERAL				53,170.
TOTAL FUNDRAISING				31,084.
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B				<u>285,136.</u>

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 6
PART III

EXPLANATION

PROTECT CIVIL RIGHTS, ENCOURAGE CIVIC PARTICIPATION AND VOTER REGISTRATION,
AND ADVOCATE FOR ISSUES RELEVANT TO MUSLIMS IN NORTH AMERICA.

FORM 990 DEPRECIATION OF ASSETS HELD FOR INVESTMENT STATEMENT 7

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
203 K ST NE	164,776.	5,493.	159,283.
203 K ST NE LAND	144,000.	0.	144,000.
205 K ST NE	167,811.	5,594.	162,217.
205 K ST NE LAND	138,000.	0.	138,000.
LOAN COSTS	25,000.	0.	25,000.
ARCHITECTURAL DESIGN COSTS	15,824.	0.	15,824.
917 2ND ST	165,003.	0.	165,003.
K & 2ND ST/DEPOSIT	12,000.	0.	12,000.
923 2ND ST	640,083.	0.	640,083.
929 2ND ST	640,083.	0.	640,083.
TOTAL TO FORM 990, PART IV, LN 55	2,112,580.	11,087.	2,101,493.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 8

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE/OFFICE EQUIPMENT 75%	22,247.	22,247.	0.
FURNITURE/OFFICE EQUIPMENT 10%	2,966.	2,966.	0.
FURNITURE/OFFICE EQUIPMENT 15%	4,449.	4,449.	0.
FURNITURE/OFFICE EQUIPMENT 75%	15,479.	14,788.	691.
FURNITURE/OFFICE EQUIPMENT 10%	2,064.	1,972.	92.
FURNITURE/OFFICE EQUIPMENT 15%	3,096.	2,958.	138.
453 NEW JERSEY/BUILDING 75%	1,535,635.	274,219.	1,261,416.
453 NEW JERSEY/BUILDING 10%	204,751.	36,563.	168,188.
453 NEW JERSEY/BUILDING 15%	307,127.	54,844.	252,283.
453 NEW JERSEY/LAND	512,000.	0.	512,000.
FURNITURE/OFFICE EQUIPMENT 75%	7,680.	6,652.	1,028.
FURNITURE/OFFICE EQUIPMENT 10%	1,024.	887.	137.
FURNITURE/OFFICE EQUIPMENT 15%	1,536.	1,331.	205.
FURNITURE/OFFICE EQUIPMENT 75%	11,850.	9,206.	2,644.
FURNITURE/OFFICE EQUIPMENT 10%	1,580.	1,227.	353.

FURNITURE/OFFICE EQUIPMENT 15%	2,370.	1,841.	529.
COMPUTERS 75%	2,561.	2,414.	147.
COMPUTERS 10%	341.	321.	20.
COMPUTERS 15%	512.	482.	30.
COMPUTER/IQBAL	1,579.	1,306.	273.
FURNITURE/OFFICE EQUIPMENT/IQBAL	754.	519.	235.
FURNITURE/OFFICE EQUIPMENT/SIEMENS	656.	452.	204.
COMPUTER/HOOPER	3,509.	2,903.	606.
COMPUTER/STALLION TECHNOLOGY	8,623.	7,133.	1,490.
FURNITURE/OFFICE EQUIPMENT/STAPLES	495.	341.	154.
SONY CAMERA/IQBAL 80%	2,867.	2,371.	496.
SONY CAMERA/IQBAL 20%	717.	593.	124.
INTELLECT COMPUTERS	1,033.	854.	179.
DELL COMPUTER/O.M.AHMAD	1,641.	1,357.	284.
COMPUTER/IQBAL	1,860.	1,538.	322.
COMPUTER/RASHEED	600.	496.	104.
IPAQ 3955 COMPUTER/KHAFAGI	649.	537.	112.
453 NEW JERSEY/BASIS COSTS 75%	38,524.	3,670.	34,854.
453 NEW JERSEY/BASIS COSTS 10%	5,136.	490.	4,646.
453 NEW JERSEY/BASIS COSTS 15%	7,705.	733.	6,972.
CAMERS-M. ELKOT	600.	427.	173.
COMPUTER/BAYOUMI	1,020.	726.	294.
COMPUTER/TOOR	846.	602.	244.
DELL SYSTEM-1	788.	561.	227.
DELL SYSTEM-2	658.	468.	190.
DELL SYSTEM-3	688.	490.	198.
DELL SYSTEM-4	548.	390.	158.
DELL SYSTEM-5	1,192.	849.	343.
DELL SYSTEM-6	623.	444.	179.
PRINTER-KHALID	1,084.	772.	312.
DIGITAL CAMERA	926.	198.	728.
DELL COMPUTER	1,109.	315.	794.
DELL COMPUTER	525.	114.	411.
LAPTOP	2,372.	948.	1,424.
PRINTER	715.	250.	465.
COMPUTER HARDWARE	100.	33.	67.
COMPUTER HARDWARE	167.	55.	112.
COMPUTER HARDWARE	709.	213.	496.
COMPUTER	1,174.	313.	861.
COMPUTER	669.	179.	490.
NEW ROOF-HEADQUARTERS	25,000.	3,334.	21,666.
NEW COOLING-HEADQUARTERS	22,500.	6,428.	16,072.
CAPITAL LEASE #10615	35,200.	9,387.	25,813.
CAPITAL LEASE #10612	18,859.	16,974.	1,885.
PHOTO COPIER/FAX/PRINTER	618.	113.	505.
VENDING MACHINE	1,147.	123.	1,024.
DISPLAY BOARD	5,000.	298.	4,702.
DISPLAY BOARD	6,608.	315.	6,293.
SONY DVD RECORDER	1,406.	70.	1,336.
FLAT PANEL MONITORS-4	1,394.	93.	1,301.

DELL CPU 2.8GH	465.	31.	434.
DELL OPTIPLEX CPU	2,639.	132.	2,507.
FLAT PANEL MONITORS-10	2,463.	123.	2,340.
LAPTOP	1,859.	62.	1,797.
DELL POWER EDGE SERVER	4,801.	160.	4,641.
BOOK/TAX VARIANCE ON DISPOSAL OF ASSETS 12&11	11,493.	0.	11,493.
TOTAL TO FORM 990, PART IV, LN 57	2,873,581.	510,650.	2,362,931.

FORM 990 OTHER LIABILITIES STATEMENT 9

DESCRIPTION	AMOUNT
SECURITY DEPOSIT	4,833.
SECURITY DEPOSIT-GWLLC	3,643.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	8,476.

FORM 990 OTHER REVENUE NOT INCLUDED ON FORM 990 STATEMENT 10

DESCRIPTION	AMOUNT
RENTAL EXPENSES NETTED FROM GROSS RENTS ON LINE 6B OF FORM 990	107,031.
ANNUAL DINNER EXPENSES NETTED FROM GROSS REVENUE ON LINE 9B OF FORM 990	106,979.
TOTAL TO FORM 990, PART IV-A	214,010.

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 11

DESCRIPTION	AMOUNT
RENTAL EXPENSES NETTED FROM GROSS RENTS ON LINE 6B OF FORM 990	107,031.
ANNUAL DINNER EXPENSES NETTED FROM GROSS REVENUE ON LINE 9B OF FORM 990	106,979.
TOTAL TO FORM 990, PART IV-B	214,010.

FORM 990

PART V-A - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
OMAR M. AHMAD 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	CHAIRMAN EMERITUS 10.00	0.	0.	0.
PARVEZ AHMED 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	CHAIRMAN 15.00	0.	0.	0.
AHMAD AL-AKHRAS 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	VICE CHAIRMAN 10.00	0.	0.	0.
NIHAD AWAD 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER/EXECUTIVE DIR 60.00	101,440.	10,815.	0.
IHSAN BAGBY 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 6.00	0.	0.	0.
FOUAD KHATEEB 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 10.00	0.	0.	0.
HADIA MUBARAK 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 5.00	0.	0.	0.
NABIL SADOON 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	BOARD MEMBER 10.00	0.	0.	0.
CARY DOUGLAS HOOPER 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	NATL DIR OF COMMUNICATIONS 50.00	77,464.	11,731.	0.
KHALID IQBAL 453 NEW JERSEY AVENUE S.E. WASHINGTON, DC 20003	DIRECTOR OF OPERATIONS 50.00	74,406.	9,280.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		253,310.	31,826.	0.

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 13
PART VI, LINE 80B

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
ZAHARA INVESTMENT CORPORATION (COMBINED)		X
GREATER WASHINGTON LLC OF DELAWARE		X

FORM 990 STATEMENT OF ACTIVITIES NOT PREVIOUSLY STATEMENT 14
REPORTED - PART VI, LINE 76

EXPLANATION

THE ORGANIZATION ENGAGED IN A SECTION 1031 LIKE KIND EXCHANGE FOR AN EXISTING PROPERTY. FORM 8824 IS ATTACHED TO THE 990-T

FORM 990 PART IX - INFORMATION REGARDING TAXABLE SUBSIDIARIES AND DISREGARDED ENTITIES STATEMENT 15

NAME OF CORPORATION, PARTNERSHIP OR DISREGARDED ENTITY

GREATER WASHINGTON LLC OF DELAWARE

ADDRESS

453 NEW JERSEY AVE SE, WASHINGTON, DC 20003

EMPLOYER ID NUMBER	PERCENT OWNED	NATURE OF ACTIVITIES	TOTAL INCOME	END-OF-YEAR ASSETS
20-2306595	100.00%	RENTAL REAL ESTATE	29,145.	2,127,869.

NAME OF CORPORATION, PARTNERSHIP OR DISREGARDED ENTITY

ZAHARA INVESTMENT CORPORATION

ADDRESS

453 NEW JERSEY AVE SE, WASHINGTON, DC 20003

EMPLOYER ID NUMBER	PERCENT OWNED	NATURE OF ACTIVITIES	TOTAL INCOME	END-OF-YEAR ASSETS
20-2154483	100.00%	RENTAL REAL ESTATE	0.	0.

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 16

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	PUBLICATIONS PROMOTE A BETTER UNDERSTANDING OF ISLAM AND MUSLIMS
93B	CONFERENCES/SEMINARS PROVIDE TRAINING PROMOTING BETTER UNDERSTANDINGS
93D	VARIOUS SPECIAL PROJECTS TO PROMOTE BETTER UNDERSTANDING
94	MEMBERSHIP DUES MEASURES THE ORGANIZATION'S SUCCESS & BASE OF SUPPORT
97B	RENTING OUT PORTIONS OF THE BUILDING DEFRAYS THE COST OF OCCUPANCY.
101	ANNUAL DINNER PROVIDES THE OPPORTUNITY FOR SIGNIFICANT FUNDRAISING
93C	PROMOTES MUTUAL UNDERSTANDING AND EDUCATES OTHERS ABOUT ISLAM
93E	EDUCATE PUBLIC ABOUT ISLAM AND THE AMERICAN MUSLIM EXPERIENCE