Form **990**

Department of the Treasury
Internal Revenue Service

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)

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 8/01 **, 2010, and ending** 7/31 **, 2011**

B Check if applicable
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

C Zaytuna College, Inc.
2515 Hillegass Avenue
Berkeley, CA 94704

D Employer Identification Number 33-0720978

E Telephone number 510-356-4760

G Gross receipts $ 3,840,024.

F Name and address of principal officer Syed Mubeen Saifullah
Same As C Above

H(a) Is this a group return for affiliates? [ ] Yes [X] No
H(b) Are all affiliates included? [ ] Yes [ ] No
If 'No,' attach a list (see instructions)

I Tax-exempt status [X] 501(c)(3) [ ] 501(c) ( )◄ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ► www.zaytuna.org

H(c) Group exemption number ►

K Form of organization [X] Corporation [ ] Trust [ ] Association [ ] Other ►

L Year of Formation 1996 **M** State of legal domicile CA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities Zaytuna College aims to educate and prepare morally committed professional, intellectual, and spiritual leaders, who are grounded in the Islamic scholarly tradition and conversant with the cultural currents and critical ideas shaping modern society.

2 Check this box ► [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	11
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	7
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	32
6	Total number of volunteers (estimate if necessary)	6	25
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	2,606,902.	3,210,070.
	9	Program service revenue (Part VIII, line 2g)	177,949.	398,903.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	641.	1,480.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-188,467.	74,505.
	12	Total revenue — add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,597,025.	3,684,958.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		197,473.
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	905,133.	1,154,040.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ► 682,649.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	992,511.	1,285,657.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,897,644.	2,637,170.
	19	Revenue less expenses Subtract line 18 from line 12	699,381.	1,047,788.
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	2,267,609.	3,346,776.
	21	Total liabilities (Part X, line 26)	113,294.	110,063.
	22	Net assets or fund balances Subtract line 21 from line 20	2,154,315.	3,236,713.

RECEIVED
JUN 20 2012
OGDEN, UT
IRS-OSC

SCANNED JUL 10 2012

Part II Signature Block

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

Sign Here

► Signature of officer — Date 6/13/12

► Mohammad Omar Nawaz Executive VP
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
		6/11/2012		N/A

Firm's name ► Patel & Associates, CPA
Firm's address ► 266 17th Street, Suite 200
Oakland, CA 94612-4124
Firm's EIN ► N/A
Phone no (510) 452-5051

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [ ] No

9-18 5

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission

See Schedule O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? See Schedule O [X] Yes [ ] No

If 'Yes,' describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No

If 'Yes,' describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code [redacted]) (Expenses $ 1,155,310. including grants of $ 161,548.) (Revenue $ 214,185.)

Undergraduate Program: The college commenced its inaugural year on August 23, 2010 with a freshmen class of 15 students. There are two liberal arts majors offered and the college curriculum emphasizes key foundational texts; an in-depth examination of critical methodological issues; a solid command of the Arabic language; a familiarity with the most important islamic sciences; and a firm grounding in the social sciences and the humanities. This curriculum also fulfills the requirements established by the most rigorous accrediting organizations of American higher education.

4b (Code [redacted]) (Expenses $ 189,296. including grants of $ 35,925.) (Revenue $ 164,394.)

Summer Arabic Intensive Program: This program ran from June 20 - August 12, 2011. This 8 week program provided introductory and intermediate level students with a rigorous, complete-immersion language experience in an Arabic-only environment. The summer program hosted 38 students from the US enrolled in introductory, intermediate and advanced level classes. Zaytuna hired qualified Arabic teachers to participate in this summer program and invited scholars from various universities as special guest speakers for a weekly lecture series. By the end of the program, students who successfully completed all the coursework were given certificates of completion and 10 units of credit.

4c (Code [redacted]) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)

(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ► 1,344,606.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If 'Yes,' complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If 'Yes,' complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If 'Yes,' complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If 'Yes,' complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If 'Yes,' complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If 'Yes,' complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If 'Yes,' complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If 'Yes,' complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If 'Yes,' complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is 'Yes', then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings and equipment in Part X, line 10? *If 'Yes,' complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments– other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part VII*	11b	X	
c	Did the organization report an amount for investments– program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If 'Yes,' complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If 'Yes,' complete Schedule D, Part X*	11f	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If 'Yes,' complete Schedule D, Parts XI, XII, and XIII*	12a	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If 'Yes,' complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If 'Yes,' complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If 'Yes,' complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If 'Yes,' complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If 'Yes,' complete Schedule G, Part I (see instructions)*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If 'Yes,' complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If 'Yes,' complete Schedule G, Part III*	19		X
20 a	Did the organization operate one or more hospitals? *If 'Yes,' complete Schedule H*	20		X
b	If 'Yes' to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If 'Yes,' complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If 'Yes,' complete Schedule I, Parts I and III*	22	X	
23	Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If 'Yes,' complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, and that was issued after December 31, 2002? *If 'Yes,' answer lines 24b through 24d and complete Schedule K If 'No,' go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If 'Yes,' complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If 'Yes,' complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If 'Yes,' complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If 'Yes,' complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If 'Yes,' complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If 'Yes,' complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If 'Yes,' complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If 'Yes,' complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If 'Yes,' complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If 'Yes,' complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If 'Yes,' complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If 'Yes,' complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1*	34		X
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		X
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If 'Yes,' complete Schedule R, Part V, line 2* ☐ Yes ☒ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If 'Yes,' complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If 'Yes,' complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V ☐

				Yes	No
1a Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	40			
b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0			
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	X	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	32			
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)					
3a Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		X
b If 'Yes' has it filed a Form 990-T for this year? *If 'No,' provide an explanation in Schedule O*			3b		
4a 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)?			4a		X
b If 'Yes,' enter the name of the foreign country ►					
See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		X
c If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7 Organizations that may receive deductible contributions under section 170(c).					
a Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		X
b If 'Yes,' did the organization notify the donor of the value of the goods or services provided?			7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		X
d If 'Yes,' indicate the number of Forms 8282 filed during the year	7d				
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		X
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		X
8 **Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		X
9 **Sponsoring organizations maintaining donor advised funds.**					
a Did the organization make any taxable distributions under section 4966?			9a		X
b Did the organization make a distribution to a donor, donor advisor, or related person?			9b		X
10 **Section 501(c)(7) organizations.** Enter					
a Initiation fees and capital contributions included on Part VIII, line 12	10a				
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11 **Section 501(c)(12) organizations.** Enter					
a Gross income from members or shareholders	11a				
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a **Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year	12b				
13 **Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a Is the organization licensed to issue qualified health plans in more than one state?			13a		
Note. See the instructions for additional information the organization must report on Schedule O.					
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c Enter the amount of reserves on hand	13c				
14a Did the organization receive any payments for indoor tanning services during the tax year?			14a		X
b If 'Yes,' has it filed a Form 720 to report these payments? *If 'No,' provide an explanation in Schedule O*			14b		

Part VI **Governance, Management and Disclosure** *For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

			Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	1a 11			
b Enter the number of voting members included in line 1a, above, who are independent	1b 7			
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee? See Schedule O		2	X	
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		5		X
6 Does the organization have members or stockholders?		6		X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a The governing body?		8a	X	
b Each committee with authority to act on behalf of the governing body?		8b	X	
9 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If 'Yes,' provide the names and addresses in Schedule O* See Schedule O		9	X	

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

		Yes	No
10a Does the organization have local chapters, branches, or affiliates?	10a		X
b If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990 See Schedule O			
12a Does the organization have a written conflict of interest policy? *If 'No,' go to line 13*	12a	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? *If 'Yes,' describe in Schedule O how this is done* See Schedule O	12c	X	
13 Does the organization have a written whistleblower policy?	13	X	
14 Does the organization have a written document retention and destruction policy?	14	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a The organization's CEO, Executive Director, or top management official See Schedule O	15a	X	
b Other officers of key employees of the organization See Schedule O	15b	X	
If 'Yes' to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► CA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available Check all that apply

[ ] Own website [ ] Another's website [X] Upon request

19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Schedule O

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

► Sadaf Khwaja 2515 Hillegass Avenue Berkeley CA 94704 (510) 356-4760

Part VII **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1 a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of 'key employee '
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors, institutional trustees; officers, key employees; highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) Syed Mubeen Saifullah President/Treas	10	X						0.	0.	0.
(2) Hamza Yusuf Hanson Chrmn/Faculty	40	X						98,269.	0.	3,372.
(3) Liliana Hanson Secretary	1	X						0.	0.	0.
(4) Hamed Omar Board Member	1	X						0.	0.	0.
(5) Zaid Shakir Bd Mmbr/Faculty	40	X						66,499.	0.	377.
(6) Hisham A. Alireza Board Member	1	X						0.	0.	0.
(7) Dr. Suhail Obaji Board Member	1	X						0.	0.	0.
(8) Dr. Tayyib Rana Board Member	1	X						0.	0.	0.
(9) Mohammad Omar Nawaz Executive VP	40	X		X				144,360.	0.	5,684.
(10) Pervez Quereshi Board Member	1	X						0.	0.	0.
(11) Dr. Hatem Al-Bazian Board Member	1	X						0.	0.	0.
(12) Sadaf Latif Controller	40			X				26,143.	0.	0.
(13)										
(14)										
(15)										
(16)										
(17)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(cont)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Sch O)	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
(26)										
(27)										
(28)										
(29)										
1 b Sub-total ►								335,271.	0.	9,433.
c Total from continuation sheets to Part VII, Section A ►								0.	0.	0.
d Total (add lines 1b and 1c) ►								335,271.	0.	9,433.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ► 1

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If 'Yes,' complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If 'Yes' complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If 'Yes,' complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ► 0

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS 1a Federated campaigns	1a					
b Membership dues	1b					
c Fundraising events	1c	1,062,685.				
d Related organizations	1d					
e Government grants (contributions)	1e					
f All other contributions, gifts, grants, and similar amounts not included above	1f	2,147,385.				
g Noncash contributions included in lns 1a-1f	$					
h **Total.** Add lines 1a-1f		►	3,210,070.			
PROGRAM SERVICE REVENUE	Business Code					
2a Tuition & Fees	611600		378,579.	378,579.		
b Ticket Sales	611600		20,324.	20,324.		
c						
d						
e						
f All other program service revenue						
g **Total.** Add lines 2a-2f		►	398,903.			
OTHER REVENUE 3 Investment income (including dividends, interest and other similar amounts)		►	1,480.	1,480.		
4 Income from investment of tax-exempt bond proceeds		►				
5 Royalties		►				
	(i) Real	(ii) Personal				
6a Gross Rents	9,600.					
b Less rental expenses						
c Rental income or (loss)	9,600.					
d Net rental income or (loss)		►	9,600.	9,600.		
	(i) Securities	(ii) Other				
7a Gross amount from sales of assets other than inventory						
b Less cost or other basis and sales expenses						
c Gain or (loss)						
d Net gain or (loss)		►				
8a Gross income from fundraising events (not including $ 854,878. of contributions reported on line 1c) See Part IV, line 18	a	207,808.				
b Less direct expenses	b	155,066.				
c Net income or (loss) from fundraising events		►	52,742.	52,742.		
9a Gross income from gaming activities See Part IV, line 19	a					
b Less direct expenses	b					
c Net income or (loss) from gaming activities		►				
10a Gross sales of inventory, less returns and allowances	a					
b Less cost of goods sold	b					
c Net income or (loss) from sales of inventory		►				
Miscellaneous Revenue	Business Code					
11a Publications	611600		12,041.	12,041.		
b Other Income	611600		122.	122.		
c						
d All other revenue						
e **Total.** Add lines 11a-11d		►	12,163.			
12 **Total revenue.** See instructions		►	3,684,958.	474,888.	0.	0.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22	197,473.	197,473.		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	443,565.	249,706.	108,743.	85,116.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages	541,206.	342,035.	93,787.	105,384.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	85,190.	57,926.	-3,689.	30,953.
10 Payroll taxes	84,079.		84,079.	
11 Fees for services (non-employees)				
a Management				
b Legal	20,658.	3,296.	16,124.	1,238.
c Accounting	19,300.		19,300.	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other	220,844.	77,265.	62,209.	81,370.
12 Advertising and promotion	116,419.	65,947.		50,472.
13 Office expenses	294,625.	34,086.	55,662.	204,877.
14 Information technology				
15 Royalties				
16 Occupancy	325,285.	247,603.	46,369.	31,313.
17 Travel	71,190.	12,766.	24,594.	33,830.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	33,379.	30,135.	3,244.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	43,000.		43,000.	
23 Insurance	13,602.		13,602.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a Other Expenses	69,860.	26,368.	42,891.	601.
b Credit Card Service Charges	57,495.			57,495.
c				
d				
e				
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	2,637,170.	1,344,606.	609,915.	682,649.
26 **Joint costs.** Check here ► ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash – non-interest-bearing	836,856.	1	1,640,412.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	204,907.	4	239,995.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	40,857.	9	44,327.
	10a	Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D — 10a 1,296,468.			
	b	Less accumulated depreciation — 10b 251,752.	966,122.	10c	1,044,716.
	11	Investments – publicly traded securities		11	
	12	Investments – other securities See Part IV, line 11	33,669.	12	178,087.
	13	Investments – program-related See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	185,198.	15	199,239.
	16	**Total assets** Add lines 1 through 15 (must equal line 34)	2,267,609.	16	3,346,776.
Liabilities	17	Accounts payable and accrued expenses	113,294.	17	57,525.
	18	Grants payable		18	
	19	Deferred revenue		19	31,088.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities Complete Part X of Schedule D		25	21,450.
	26	**Total liabilities.** Add lines 17 through 25	113,294.	26	110,063.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ► [X] and complete lines 27 through 29 and lines 33 and 34.**			
	27	Unrestricted net assets	1,981,782.	27	2,930,756.
	28	Temporarily restricted net assets	172,533.	28	65,302.
	29	Permanently restricted net assets		29	240,655.
		Organizations that do not follow SFAS 117, check here ► [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	2,154,315.	33	3,236,713.
	34	Total liabilities and net assets/fund balances	2,267,609.	34	3,346,776.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI [X]

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,684,958.
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,637,170.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,047,788.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,154,315.
5	Other changes in net assets or fund balances (explain in Schedule O) See Schedule O	5	34,610.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	3,236,713.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII [ ]

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other			
	If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
d	If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both [X] Separate basis [ ] Consolidated basis [ ] Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► **Attach to Form 990 or Form 990-EZ.** ► **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization	Employer identification number
Zaytuna College, Inc.	33-0720978

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 [ ] A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i).**

2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 [ ] A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 [ ] A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)** Enter the hospital's name, city, and state

5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 [ ] A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 [ ] A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II)

9 [ ] 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 exempt 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).** (Complete Part III)

10 [ ] An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a [ ] Type I **b** [ ] Type II **c** [ ] Type III – Functionally integrated **d** [ ] Type III – Other

e [ ] By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box [ ]

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

			Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g (i)**		
(ii)	A family member of a person described in (i) above?	**11g (ii)**		
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	**11g (iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section **(see instructions)**)	(iv) Is the organization in column (i) listed in your governing document?		(v) Did you notify the organization in column (i) of your support?		(vi) Is the organization in column (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include 'unusual grants ')	1,375,645.	1,393,192.	1,272,129.	2,606,902.	3,210,070.	9,857,938.
2 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf						0.
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0.
4 **Total.** Add lines 1 through 3	1,375,645.	1,393,192.	1,272,129.	2,606,902.	3,210,070.	9,857,938.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						0.
6 **Public support.** Subtract line 5 from line 4						9,857,938.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4	1,375,645.	1,393,192.	1,272,129.	2,606,902.	3,210,070.	9,857,938.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	151.	482.	296.	641.	1,480.	3,050.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0.
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) See Part IV			374,836.		12,163.	386,999.
11 **Total support.** Add lines 7 through 10						10,247,987.

12 Gross receipts from related activities, etc (see instructions) | 12 | 0.

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ► ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	96.2 %
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	95.2 %

16a **33-1/3% support test – 2010.** If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☒

b **33-1/3% support test – 2009.** If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

17a **10%-facts-and-circumstances test – 2010.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and **stop here.** Explain in Part IV how the organization meets the 'facts-and-circumstances' test The organization qualifies as a publicly supported organization ► ☐

b **10%-facts-and-circumstances test – 2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and **stop here.** Explain in Part IV how the organization meets the 'facts-and-circumstances' test The organization qualifies as a publicly supported organization ► ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II If the organization fails to qualify under the tests listed below, please complete Part II)

Section A. Public Support

Calendar year (or fiscal yr beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions and membership fees received (Do not include any 'unusual grants ')						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal yr beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lns 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ► ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18	%

19a **33-1/3% support tests — 2010.** If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

b **33-1/3% support tests — 2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Part II, Line 10 - Other Income

Nature and Source	2010	2009	2008	2007	2006
Other Revenue	122.		11,600.		
Sales of Publications	12,041.				
Net Income from Fundraising Events			363,236.		
Total	$ 12,163.	$ 0.	$ 374,836.	$ 0.	$ 0.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization: Zaytuna College, Inc.

Employer identification number: 33-0720978

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

		Held at the End of the Tax Year
a Total number of conservation easements	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► ______

4 Number of states where property subject to conservation easement is located ► ______

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► ______

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► $ ______

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► $ ______

(ii) Assets included in Form 990, Part X ► $ ______

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► $ ______

b Assets included in Form 990, Part X ► $ ______

Part III | Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV | Escrow and Custodial Arrangements. Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIV

Part V | Endowment Funds. Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	506,669.	0.	0.		
b Contributions	758,596.				
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	1,265,265.	0.	0.		

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ► 77.00 %

b Permanent endowment ► 23.00 %

c Term endowment ► %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		X
(ii) related organizations	3a(ii)		X
b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds See Part XIV

Part VI | Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		541,712.		541,712.
b Buildings		217,249.	65,666.	151,583.
c Leasehold improvements		405,066.	115,551.	289,515.
d Equipment		61,981.	37,483.	24,498.
e Other		70,460.	33,052.	37,408.
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ►				1,044,716.

Part VII Investments–Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other Mutual Funds & Money Market A	178,087.	Cost
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990 Part X, column (B) line 12.)* ►	178,087.	

Part VIII Investments–Program Related. (See Form 990, Part X, line 13) N/A

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, column (B) line 13.)* ►		

Part IX Other Assets. (See Form 990, Part X, line 15)

(a) Description	(b) Book value
(1) Investment for Property Acquisition	199,239.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, column(B), line 15)* ►	199,239.

Part X Other Liabilities. (See Form 990, Part X, line 25)

(a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) Deferred Rent	21,450.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total *(Column (b) must equal Form 990, Part X, column (B) line 25)* ►	21,450.

2. FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) See Part XIV

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	3,684,958.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2,637,170.
3	Excess or (deficit) for the year Subtract line 2 from line 1	1,047,788.
4	Net unrealized gains (losses) on investments	33,651.
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV) See Part XIV	959.
9	Total adjustments (net) Add lines 4 through 8	34,610.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	1,082,398.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	3,521,136.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	33,651.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV) See Part XIV	2d	-197,473.		
e	Add lines **2a** through **2d**			2e	-163,822.
3	Subtract line **2e** from line **1**			3	3,684,958.
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**.				
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12)*			5	3,684,958.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	2,439,697.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV) See Part XIV	2d	-197,473.		
e	Add lines **2a** through **2d**			2e	-197,473.
3	Subtract line **2e** from line **1**			3	2,637,170.
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18)*			5	2,637,170.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Part V, Line 4 - Intended Uses Of Endowment Fund

Zaytuna College's endowment fund is established for the purpose of the College and consists of donor-restricted endowment funds and board designated funds. The funds will be appropriated for expenditure in accordance with the UPMIFA statutes.

Part X - FIN 48 Footnote

The College is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and the corresponding sections of the California Revenue and Taxation Code, except for taxes on net unrelated business income. The College concluded that no

Part XIV Supplemental Information *(continued)*

Part X - FIN 48 Footnote (continued)

provisions for federal or state income tax are required for the year ended July 31, 2011.

The College has adopted the accounting guidance related to uncertain tax positions, and has evaluated its tax positions and believes that all of the positions taken by the College in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The College's returns for years ended July 31, 2008, 2009 and 2010 are subject to examination by federal and state taxing authorities generally for three years after they are filed.

Part XIV **Supplemental Information** *(continued)*

Schedule D, Part XI, Line 8
Other Changes In Net Assets Or Fund Balances

Other Adjustments		$ 959.
	Total	$ 959.

Schedule D, Part XII, Line 2d
Other Revenue Included In F/S But Not Included On Form 990

Less Financial Aid Expense		$ -197,473.
	Total	$ -197,473.

Schedule D, Part XIII, Line 2d
Other Expenses And Losses Per Audited F/S

Less Financial Aid Expense		$ -197,473.
	Total	$ -197,473.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered 'Yes' to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization: Zaytuna College, Inc.

Employer identification number: 33-0720978

Part I **Fundraising Activities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 17 Form 990-EZ filers are not required to complete this part

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply

a [X] Mail solicitations
b [X] Internet and email solicitations
c [ ] Phone solicitations
d [X] In-person solicitations
e [ ] Solicitation of non-government grants
f [ ] Solicitation of government grants
g [X] Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? [ ] Yes [X] No

b If 'Yes,' list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in column (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total ►							0.

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing

CA

Part II **Fundraising Events.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 6 Events (event type)	(b) Event #2 NY Event (event type)	(c) Other events 1 (total number)	(d) Total events (add column (a) through column (c))
REVENUE	1 Gross receipts	504,754.	285,920.	272,012.	1,062,686.
	2 Less Charitable contributions	427,942.	210,948.	215,988.	854,878.
	3 Gross income (line 1 minus line 2)	76,812.	74,972.	56,024.	207,808.
DIRECT EXPENSES	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	8,283.	34,412.	2,500.	45,195.
	7 Food and beverages	8,016.	17.	16,969.	25,002.
	8 Entertainment				
	9 Other direct expenses	60,513.	10,503.	13,853.	84,869.
	10 Direct expense summary Add lines 4- through 9 in column (d) ►				155,066.
	11 Net income summary Combine line 3, column (d), and line 10 ►				52,742.

Part III **Gaming.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add column (a) through column (c))
REVENUE	1 Gross revenue				
DIRECT EXPENSES	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ►				
	8 Net gaming income summary Combine lines 1, column (d) and line 7 ►				

9 Enter the state(s) in which the organization operates gaming activities ____________

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If 'No,' explain ____________

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If 'Yes,' explain ____________

11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility | 13a | %

b An outside facility | 13b | %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ►

Address ►

15a Does the organization have a contact with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If 'Yes,' enter the amount of gaming revenue received by the organization ► $ and the amount of gaming revenue retained by the third party ► $

c If 'Yes,' enter name and address of the third party

Name ►

Address ►

16 Gaming manager information

Name ►

Gaming manager compensation ► $

Description of services provided ►

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► $

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 21 or 22.
► Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization: Zaytuna College, Inc.

Employer identification number: 33-0720978

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States See Part IV

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed ► [X]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							

2 Enter total number of section 501(c)(3) and government organizations ► 0

3 Enter total number of other organizations ► 0

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered 'Yes' to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1 Financial Aid- Education	21	197,473.		Cash	
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Part I, Line 2 - Procedures for Monitoring Use of Grants Funds in U.S.

Financial aid applications are received and granted based on need only. In addition, the undergraduate recipients are required to maintain a grade point average at or above 3.0, for the academic year for which the aid is awarded.

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

► **Complete if the organization answered 'Yes' to Form 990, Part IV, line 23.**
► **Attach to Form 990.** ► **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization: Zaytuna College, Inc.

Employer identification number: 33-0720978

Part I Questions Regarding Compensation

			Yes	No
1 a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If 'No,' complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply ☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☒ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		X
c	Participate in, or receive payment from, an equity-based compensation arrangement? If 'Yes' to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c		X
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	5a		X
b	Any related organization? If 'Yes' to line 5a or 5b, describe in Part III	5b		X
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	6a		X
b	Any related organization? If 'Yes' to line 6a or 6b, describe in Part III	6b		X
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If 'Yes,' describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If 'Yes,' describe in Part III	8		X
9	If 'Yes' to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus and incentive compensation	(iii) Other reportable compensation				
1 Mohammad Omar	(i)	144,360.	0.	0.	0.	5,684.	150,044.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2	(i)							
	(ii)							
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
► Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization	Employer identification number
Zaytuna College, Inc.	33-0720978

Form 990, Part VII - Compensation

During the 2011 fiscal year, Zaytuna had three board members who also served as teachers. They are as follows:

1. Hamza Yusuf Hanson (Chairman of the Board) - Teacher
2. Zaid Shakir (Member of the Board) - Teacher
3. Dr. Hatem Al-Bazian (Member of the Board) - Teacher.

In addition, the Executive Vice President, Mohammad Omar Nawaz, a position for which he is compensated, also served as a voting board member.

These four persons are the non-independent voting members of the board.

Form 990, Part III, Line 1 - Organization Mission

Zaytuna College aims to educate and prepare morally committed professional, intellectual, and spiritual leaders, who are grounded in the Islamic scholarly tradition and conversant with the cultural currents and critical ideas shaping modern society.

Form 990, Part III, Line 2 - New Services

Zaytuna College added the Undergraduate Program to its program services.

Form 990, Part VI, Line 2 - Business or Family Relationship of Officers, Directors, Etc.

Yes, Zaytuna College has two board members that have a family relationship. Hamza Yusuf Hanson (Chairman of the Board) is married to Liliana Hanson (Secretary of the Board).

Form 990, Part VI, Line 9 - Officer, Director, Trustee, Key Employee Mailing Address

Hamed Omar
10894 Pine Bluff Drive
Fishers, IN 46038

Name of the organization: Zaytuna College, Inc.

Employer identification number: 33-0720978

Form 990, Part VI, Line 9 - Officer, Director, Trustee, Key Employee Mailing Address (continued)

Hisham A Alireza
3313 17 Mile Drive
Pebble Beach, CA 93953

Dr. Suhail Obaji
3424 Hollow Creek Road
Germantown, TN 38138

Dr. Tayyib Rana
1306 Barksdale Drive NE
Leesburg, VA 20176

Form 990, Part VI, Line 11b - Form 990 Review Process

The Form 990 will be provided to the Audit Committee for review and approval before it is filed with the IRS.

Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts

The conflict of interest policy is distributed annually and written responses to the conflict of interest questionnaire are required. The Board will determine if there is a potential conflict of interest identified. The Board members, less the member whose potential conflict of interest is identified, shall decide if a conflict of interest exists.

Form 990, Part VI, Line 15a - Compensation Review & Approval Process for CEO, Exec. Dir., or Top Mgtment

The Board of Trustees conducts the interviews, selects candidates and approves the compensation for the CEO and top management officers.

Name of the organization: Zaytuna College, Inc.

Employer identification number: 33-0720978

Form 990, Part VI, Line 15b - Compensation Review & Approval Process for Officers & Key Employees

The Board of Trustees and the Executive Vice President determine the compensation for other officers and key employees.

Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available

The organization's governing documents, policies, and financial statements are made available to the public upon request.

Form 990, Part XI, Line 5
Other Changes in Net Assets or Fund Balances

Net Unrealized Gains or Losses on Investments	$	33,651.
Other Adjustments		959.
Total	$	34,610.

ZAYTUNA COLLEGE

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2011

Patel &
Associates
Certified Public Accountant

ZAYTUNA COLLEGE

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-13

Patel &
Associates
Certified Public Accountant

266 17th Street, Suite 200
Oakland, California 94612-4124

Telephone: (510) 452-5051
Fax: (510) 452-3432
e-mail: rpatel@patelcpa com

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Zaytuna College
Berkeley, California

We have audited the accompanying statement of financial position of Zaytuna College as of July 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Zaytuna College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Zaytuna College as of July 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Patel & Associates

Oakland, California
April 24, 2012

ZAYTUNA COLLEGE
STATEMENT OF FINANCIAL POSITION
JULY 31, 2011

Assets		
Current assets		
Cash and cash equivalent (Note 2)	$	1,640,412
Accounts receivable		239,995
Prepaid expenses		44,327
Total current assets		1,924,734
Long term investments (Note 3)		178,087
Investment for property acquisition (Note 5)		199,239
Property and equipment, net (Note 6)		1,044,716
Total assets	$	3,346,776
Liabilities and net assets		
Current liabilities		
Accounts payable	$	57,525
Deferred revenue		31,088
Deferred rent		21,450
Total liabilities		110,063
Net assets		
Permanently restricted		240,655
Temporarily restricted (Note 7)		65,302
Unrestricted		2,930,756
Total net assets		3,236,713
Total liabilities and net assets	$	3,346,776

The accompanying notes are an integral part of these financial statements

ZAYTUNA COLLEGE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2011

Revenues, gains, and other support:	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Gross tuition and fees	$ 378,579	$	$	$ 378,579
Less Financial aid	197,473			197,473
Net tuition and fees	181,106			181,106
Contributions	2,832,224	137,191	240,655	3,210,070
Sales of publications	12,041			12,041
Events - ticket sales	73,066			73,066
Realized and unrealized gain/(loss) on Investments	33,651			33,651
Rental income	9,600			9,600
Investment Income	1,480			1,480
Other income	122			122
Net assets released from restrictions				
Satisfaction of program restrictions	244,422	(244,422)		
Total revenues, gains and other support	3,387,712	(107,231)	240,655	3,521,136
Expenses:				
Program expenses	1,147,133			1,147,133
Institutional advancement	682,649			682,649
Management & general expenses	609,915			609,915
Total expenses	2,439,697			2,439,697
Change in net assets	948,015	(107,231)	240,655	1,081,439
Net assets, beginning of year	1,982,741	172,533		2,155,274
Net assets, end of year	$ 2,930,756	$ 65,302	$ 240,655	$ 3,236,713

The accompanying notes are an integral part of these financial statements

ZAYTUNA COLLEGE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JULY 31, 2011

		SUPPORTING SERVICES		
	PROGRAM SERVICES	MANAGEMENT & GENERAL	INSTITUTIONAL ADVANCEMENT	TOTAL
Expenditures				
Salaries and benefits	$ 649,667	$ 282,920	$ 221,453	$ 1,154,040
Contracted services	77,265	62,209	81,370	220,844
Travel & lodging	12,766	24,594	33,830	71,190
Equipment rental	6,420	3,461	43,845	53,726
Office supplies	4,958	23,144	5,536	33,638
Telephone & Internet	453	20,470	3,918	24,841
Postage, shipping & delivery	1,385	2,988	43,658	48,031
Meals & Catering	11,886	3,122	50,298	65,306
Promotion & Marketing	65,947		50,472	116,419
Facility rental	246,898	26,313	31,313	304,524
Professional development	30,135	3,244		33,379
Legal fees & license	3,296	16,124	1,238	20,658
Professional fees		19,300		19,300
Printing & copying	8,984	777	1,222	10,983
Utilities	705	20,056		20,761
Insurance		13,602		13,602
Credit card service charges			57,495	57,495
Depreciation & amortization expense		43,000		43,000
Bad debts		1,700	56,400	58,100
Other expenses	26,368	42,891	601	69,860
Total expenditures	$ 1,147,133	$ 609,915	$ 682,649	$ 2,439,697

The accompanying notes are an integral part of these financial statements

ZAYTUNA COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2011

Cash flows from operating activities:		
Change in net assets	$	1,081,439
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gain/(losses) on investments		(33,651)
Investment income		(1,480)
Depreciation and amortization		43,000
(Increase) decrease in operating assets		
Accounts receivable		(45,496)
Prepaid expenses		(3,470)
Increase (decrease) in operating liabilities		
Accounts payable		(19,825)
Deferred revenue		(4,856)
Deferred rent		21,450
Net cash provided by operating activities		1,037,111
Cash flows from investing activities:		
Purchase of furniture, fixtures and equipment		(121,594)
Investment for property acquisition		(13,082)
Purchase of investments		(109,287)
Net cash used by investing activities		(243,963)
Net increase in cash and cash equivalents		793,148
Cash and cash equivalents, beginning of year		847,264
Cash and cash equivalents, end of year	$	1,640,412

The accompanying notes are an integral part of these financial statements

ZAYTUNA COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011

NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Business

Zaytuna College (the College) is the first Muslim liberal arts college in the United States. The College was founded in Berkeley, California in 2009 and is committed to demonstrating Islam's critical role in the modern world through practice, teaching, and the free exchange of ideas. The College aspires to revive the classical sciences of Islam and to position this nuanced, text-based tradition in its central place in modern education.

B. Major Programs

The following are major programs of the College:

1. Undergraduate Program:

   i. Major in Islamic Law and Theology: A core objective of this major is to familiarize students with the history and the intricacies of Islamic legal principles, and to help them comprehend their continued viability in a changing world. Another primary objective of this major is to provide students with the essential philosophical and analytical tools they need to understand Muslim theology and navigate its concerns in the contemporary intellectual climate.

   ii. Major in Arabic Language: Given the importance of Arabic in understanding Islam from its original sources, the College offers a major in Arabic Language. Students majoring in this program will graduate with a command of the language that allows them to read and comprehend classical and modern Arabic texts, and prepares them for their lifelong journey toward mastery.

2. Summer Arabic Intensive Program: The Arabic Intensive program is an eight-week residential Arabic language program designed for students motivated to learn Arabic for any number of reasons, such as for personal enrichment, the serious study of Islam, or future academic study. Open to students of all faiths, the program offers introductory and intermediate courses, and incorporates modern standards of academic excellence and pedagogical expertise within a nourishing intellectual and spiritual environment.

C. Basis of presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its FASB Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under FASB ASC Topic 958, the College is required to report information regarding its financial position and activities according to three classes of net assets, unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Basis of accounting

The financial statements of the College are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America, on the accrual basis of accounting and present net assets, revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions.

E. Significant Accounting Policies

Classes of net assets

Unrestricted net assets: These represent net assets which are not subject to donor-imposed restrictions.

Temporarily restricted net assets: These represent net assets which are subject to donor-imposed time or use restrictions that have not been met. When a donor-imposed restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets: These represent net assets which are subject to donor-imposed restrictions that they be maintained permanently by the College as donor-restricted endowments. Generally, the donors of these assets permit the College to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless uses of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and cash equivalents

Cash and cash equivalents include interest-bearing money market accounts not held for investment purposes. Cash equivalents have maturities of three months or less at the date of purchase.

Investments

Investments consist of marketable debt and equity securities and are measured at fair value. Realized and unrealized gains and losses are reflected in the statement of activities and changes in net assets.

Property and equipment

Property and equipment are stated at cost. The College has a policy to capitalize fixed asset expenditures in excess of $500 provided the asset has an estimated useful life in excess of one year from date of acquisition. Major additions and improvements to property and equipment are capitalized while repairs and maintenance are charged to expense as incurred. On sale or retirement of furniture, fixtures and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is taken into income or expense.

Fixed assets, except land, are depreciated over their estimated useful lives using straight-line basis. The useful lives for different category of assets are as follows:

	Useful life
Building and improvements	5 – 39 years
Furniture and fixtures	7 years
Equipment	5 – 7 years

Donated services

The College generally pays for services requiring specific expertise. However, some individuals volunteer their time and perform a variety of tasks that assist the College with the educational programs and fundraising events. As these services do not meet the criteria for recognition under FASB ASC Topic 958-605-25, no amounts have been reflected in the financial statements for these services.

Institutional advancement expenses

The College has an Office of Institutional Advancement which builds partnerships and relationships that raise philanthropic resources from friends, alumni, foundations and corporations to support the College students, faculty, facility needs and daily operations and to create a path for institutional advancement by increasing public awareness and perception of the College. The Office of Institutional Advancement achieves its goals through various activities including fundraising, marketing, student recruitment and outreach to the broader Muslim community. The expenses incurred on these activities are included and shown under the institutional advancement expenses.

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs benefited. Management and general expenses include expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the College.

Fair Value of Financial Instruments

The College believes that the carrying value of its financial instruments approximates their fair values in accordance with FASB Accounting Standards Codification 820 *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 applies to all financial assets and liabilities that are being measured and reported on a fair value basis and requires such assets and liabilities to be classified and disclosed in one of the following three categories to enable readers of the financial statements to assess the inputs used to develop those measurements:

Level 1 Quoted market prices unadjusted in active markets for identical assets or liabilities.

Level 2 Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 Unobservable inputs that are not corroborated by market data.

The financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the College uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers nonperformance risk in its assessment of fair value.

The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. See Note 4.

Endowment Funds

During the year ended July 31, 2011, the College adopted accounting policies related to the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) under the guidance in FASB Accounting Standards Codification (ASC) Section 958, Subtopic 205. The policies require additional disclosures about the College's endowment funds (both donor-restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA.

The College's Board of Trustees has interpreted the State of California's enacted version of the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the College classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts donated to the permanent endowment, and (3) additions to the permanent endowment in accordance with donor directions. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by the UPMIFA statutes.

The College's permanently restricted net assets consist of endowment fund which was established for the purpose of the College. The College's Board of Trustees also created a board designated endowment fund for the College. Since this designation is voluntary and may be reversed by the Board, this has been included and reported as part of the unrestricted net assets.

The College has adopted investment and spending policies for endowment assets. As per the guidance from UPMIFA, the College will appropriate for expenditure, or accumulate, so much of the net appreciation of an endowment fund as the College determines prudent for the purposes of which the fund was established. As per the guidance from California's UPMIFA, the College's Board of Trustees approves a distribution no more than 7.0% of the endowment fund based on the average fair market value of the fund averaged over the last three years. This prudent approach is consistent with the purposes of the fund, relevant economic factors, and the donor's intent that the fund continue in perpetuity.

F. Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reporting of assets, liabilities, revenues, expenses and related disclosures. Actual results could differ from those estimates.

G. Income Tax

The College is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and the corresponding sections of the California Revenue and Taxation Code, except for taxes on net unrelated business income. The College concluded that no provisions for federal or state income tax are required for the year ended July 31, 2011.

The College has adopted the accounting guidance related to uncertain tax positions, and has evaluated its tax positions and believes that all of the positions taken by the College in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The College's returns for years ended July 31, 2008, 2009 and 2010 are subject to examination by federal and state taxing authorities generally for three years after they are filed.

NOTE 2: CONCENTRATION OF CREDIT RISK

Cash with banks: The College maintains cash balances with few banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. As of July 31, 2011, balance with these banks was $1,660,655 resulting in uninsured balance of $1,159,046, before reconciling items.

NOTE 3: INVESTMENTS

The College's investment as of July 31, 2011 consists of the following:

		Carrying Value		Fair Value
Long term investments				
Amana Income Fund	$	178,087	$	178,087
Total long term investments	$	178,087	$	178,087

NOTE 4: FAIR VALUE MEASUREMENTS

Information related to the College's assets measured at fair value on a recurring basis at July 31, 2011 is as follows:

		Fair Value		Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)
Long-term investments								
Amana Income Fund	$	178,087	$	178,087	$		$	
Total assets	$	178,087	$	178,087	$		$	

NOTE 5: INVESTMENT FOR PROPERTY ACQUISITION

In July 2004, the College entered into an agreement with Ameen Housing Co-operative of California (Ameen Housing) for purchase of a property located at 675 Jackson Street, Hayward on its behalf. According to the terms of the purchase deed, title to the property is in the name of Ameen Housing until the College accumulates the required number of shares. The property is leased to the College under month-to-month rental agreement. Part of the rent goes towards the purchase of shares and part of it goes towards rent.

The purchase price of the property was $380,000. As of July 31, 2011, the College has an investment of $199,239 in the shares for the purchase of the property. During the year, the College paid $10,798 towards the rent for the property.

NOTE 6: **PROPERTY AND EQUIPMENT**

Property and equipment at July 31, 2011 consists of the following:

Land	$ 541,712
Building and improvements	622,315
Furniture and fixtures	70,460
Equipment	61,981
	1,296,468
Less: accumulated depreciation	251,752
	$ 1,044,716

NOTE 7: **TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of July 31, 2011 were as follows:

Student fund	$ 35,141
Library fund	4,951
Scholarship fund	2,200
Student books fund	23,010
	$ 65,302

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors, including the passage of time. Net assets were released from restriction as follows for the year ended July 31, 2011:

Purpose restrictions accomplished:	
Student fund	$ 197,473
Library fund	35,049
Student books fund	11,900
Net assets released from restrictions	$ 244,422

NOTE 8: **ENDOWMENT FUNDS**

Endowment net assets as of July 31, 2011 were as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	$	$	$ 240,655	$ 240,655
Board designated endowment funds	1,024,610			1,024,610
	$ 1,024,610	$	$ 240,655	$ 1,265,265

Changes in endowment net assets for the year ended July 31, 2011 are as follows:

		Unrestricted		Temporarily restricted		Permanently restricted		Total
Beginning of year	$	506,669	$		$		$	506,669
Contributions		517,941				240,655		758,596
End of year	$	1,024,610	$		$	240,655	$	1,265,265

NOTE 9: OPERATING LEASES

The College leases office space under long-term non-cancelable operating lease with a term of five years. The lease provides for periodic increase in rent which is being accrued by the College so that rent expense is recognized over the lease term on a straight-line basis. For the year ended July 31, 2011, rent expense was $153,235. The following is a schedule of future minimum rental commitment and net rent expense under this lease:

Year ending July 31,		Minimum Lease Amount		Amortization of deferred rent		Net rent expense
2012	$	154,800	$	5,098	$	159,898
2013		158,988		911		159,899
2014		171,540		(11,642)		159,898
2015		175,716		(15,817)		159,899
	$	661,044	$	(21,450)	$	639,594

NOTE 10: EVALUATION OF SUBSEQUENT EVENTS

The College reviewed the results of operations for the period of time from its year end July 31, 2011 through April 24, 2012, the date the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.