AMERICAN JEWISH UNIVERSITY
(FORMERLY UNIVERSITY OF JUDAISM)
(A NONPROFIT EDUCATIONAL INSITUTION)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2008

AMERICAN JEWISH UNIVERSITY
(FORMERLY UNIVERSITY OF JUDAISM)
CONTENTS
June 30, 2008

SingerLewak LLP

www.SingerLewak.com

Los Angeles
Orange County
Woodland Hills
Monterey Park
Inland Empire
San Diego
Silicon Valley

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
American Jewish University

We have audited the accompanying consolidated statement of financial position of American Jewish University (formerly the University of Judaism) (the "University") as of June 30, 2008 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's summarized comparative information has been derived from the University's 2007 financial statements and, in our report dated October 26, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the University as of June 30, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2008 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Singer Lewak LLP

Singer Lewak LLP

Los Angeles, California
October 11, 2008

10960 Wilshire Blvd, Suite 1100 Los Angeles, CA 90024 T: 310.477.3924 F: 310.478.6070

877.754.4557

IGAF A Member of IGAF Worldwide

AMERICAN JEWISH UNIVERSITY
(FORMERLY UNIVERSITY OF JUDAISM)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the Year Ended June 30, 2008
(with Comparative Totals for 2007)

ASSETS

	2008	2007
Assets		
Cash and cash equivalents	$ 2,589,125	$ 2,697,935
Contributions receivable, net	5,462,684	7,281,160
Other receivables, net of allowance of $71,392 and $171,532 for 2008 and 2007, respectively	371,704	557,340
Notes receivable	6,521,703	6,604,962
Investments	80,469,177	85,578,231
Prepaid expenses and other assets	192,566	329,779
Inventories	130,907	228,995
Due from affiliate	23,034	39,210
Property, plant and equipment, net	36,166,448	30,229,655
Other assets	539,140	565,440
Total assets	**$ 132,466,488**	**$ 134,112,707**

LIABILITIES AND NET ASSETS

	2008	2007
Liabilities		
Accounts payable and accrued expenses	$ 8,293,472	$ 9,759,957
Deferred revenue	1,806,115	1,351,248
Notes payable	24,789,010	24,801,513
Annuities payable	588,347	848,238
Interest rate swap agreements	601,807	383,243
Total liabilities	36,078,751	37,144,199
Net assets		
Unrestricted	30,145,522	30,134,340
Temporarily restricted	42,363,464	46,060,616
Permanently restricted	23,878,751	20,773,552
Total net assets	96,387,737	96,968,508
Total liabilities and net assets	**$ 132,466,488**	**$ 134,112,707**

The accompanying notes are an integral part of these financial statements.

AMERICAN JEWISH UNIVERSITY
(FORMERLY UNIVERSITY OF JUDAISM)
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2008
(with Comparative Totals for 2007)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2008 Total	2007 Total
Revenue and other support					
Tuition and fees, net of scholarships and financial aid of $1,953,695	$ 3,598,374	$ -	$ -	$ 3,598,374	$ 5,026,562
Gifts, grants and bequests	8,799,032	2,450,736	3,309,047	14,558,815	35,046,310
Program, sales and services	1,252,632	-	-	1,252,632	2,524,942
Auxiliary enterprises	5,204,278	203,201	-	5,407,479	2,254,769
Investment income	3,426,603	747,896	327,241	4,501,740	4,616,252
Other income	3,449,921	17,263	-	3,467,184	1,798,661
Net assets released from restrictions	6,632,024	(6,539,067)	(92,957)	-	-
Total revenues and other support	32,362,864	(3,119,971)	3,543,331	32,786,224	51,267,496
Expenses					
Program services					
Academic	8,022,683	-	-	8,022,683	7,203,026
Department of continuing education	6,347,335	-	-	6,347,335	3,378,922
Public service	616,848	-	-	616,848	4,686,424
Total program services	14,986,867	-	-	14,986,867	15,268,372
Supporting services					
Auxiliary enterprises	4,352,981	-	-	4,352,981	2,745,207
Fundraising	1,474,689	-	-	1,474,689	1,858,591
Management and general	7,081,797	-	-	7,081,797	5,401,508
Total supporting services	12,909,467	-	-	12,909,467	10,005,306
Total expenses	27,896,334	-	-	27,896,334	25,273,678
Changes in net assets before other deductions	4,466,530	(3,119,971)	3,543,331	4,889,890	25,993,818
Other additions (deductions)					
Change in value of split interest agreements	(121,667)	-	-	(121,667)	(144,715)
Loss on interest rate swaps	(218,564)	-	-	(218,564)	48,716
Unrealized/realized loss on investments	(4,115,117)	(577,181)	(438,132)	(5,130,430)	3,196,315
Changes in net assets	11,182	(3,697,152)	3,105,199	(580,771)	29,094,134
Net assets, beginning of year, as combined (Note 8)	30,134,340	46,060,616	20,773,552	96,968,508	67,874,374
Net assets, end of year	**$ 30,145,522**	**$ 42,363,464**	**$ 23,878,751**	**$ 96,387,737**	**$ 96,968,508**

The accompanying notes are an integral part of these financial statements.

AMERICAN JEWISH UNIVERSITY
(FORMERLY UNIVERSITY OF JUDAISM)
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended June 30, 2008
(with Comparative Totals for 2007)

	2008	2007
Cash flows from operating activities		
Change in net assets	$ (580,771)	$ 29,094,134
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	1,640,533	1,071,329
Realized and unrealized (gains) losses on investments	5,130,430	(3,196,315)
Unrealized (gains) losses on interest rate swap agreements	218,564	(48,716)
Contribution of partnership interests and notes receivable	-	168,995
Contributions restricted for endowment	(174,135)	(341,336)
Changes in assets and liabilities		
Contributions receivable, net	2,202,534	(4,291,648)
Other receivables	185,648	(304,009)
Notes receivable	83,259	(200,038)
Prepaid expenses	137,213	48,505
Inventories	98,088	3,555
Due from affiliates	16,176	(25,620)
Accounts payable and accrued expenses	(1,466,485)	8,513,064
Deferred revenue	454,867	1,351,248
Annuities payable, net	(259,891)	4,042
Net cash provided by operating activities	7,686,030	31,847,190
Cash flows from investing activities		
Purchase of property and equipment	(2,895,210)	(1,540,522)
Purchase of investments	(86,650,741)	(61,391,868)
Sale of investments	81,589,479	31,443,463
Net cash used in investing activities	(7,956,472)	(31,488,927)
Cash flows from financing activities		
Contributions restricted for endowment	174,135	341,336
Proceeds from notes payable	500,000	5,953,110
Principal payments on notes payable	(512,503)	(4,746,949)
Net cash provided by financing activities	161,632	1,547,497
Net increase (decrease) in cash and cash equivalents	(108,810)	1,905,760
Cash and cash equivalents, at beginning of year	2,697,935	792,175
Cash and cash equivalents, at end of year	**$ 2,589,125**	**$ 2,697,935**
Supplemental information		
Interest paid	**$ 1,310,454**	**$ 1,462,537**
Summary of non-cash financing and investing activities		
Donated stock, partnership interests and notes receivable	**$ -**	**$ 168,995**
Contribution of property and equipment	**$ 5,599,162**	**$ -**

The accompanying notes are an integral part of these financial statements.

NOTE 1 – GENERAL

Nature of Organization
The American Jewish University (formerly University of Judaism) (the "University") is a nonprofit educational institution offering undergraduate and graduate degrees. The primary purpose of accounting and reporting is for recording the resources received and applied rather than the determination of net income. In 2006, the University received a 10-year accreditation by the Western Association of Schools and Colleges (WASC).

During 2007, the University expanded their adult education, undergraduate and graduate curriculum by combining with a similar non profit institution, the Brandeis-Bardin Institute (BBI). The combination created one of the largest Jewish educational institutions on the West Coast.

In addition, BBI has a 100% ownership interest in a separate corporation, the Brandeis Mutual Water Company. The results of which have been incorporated with the combination.

ZSRS LLC
The University has a 100% ownership interest in ZSRS LLC (the "LLC"). The LLC holds a number of minority interests in partnerships that own property in California. The results of the subsidiary have been incorporated into the books of the University.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended June 30, 2007, from which the summarized information was derived.

Consolidation Policy
The consolidated financial statements include the accounts of the University and its majority-owned subsidiaries. All material inter-company accounts and transactions of consolidated subsidiaries have been eliminated in consolidation.

Financial Statements Presentation
The University reports information regarding its financial position and activities according to three (3) classes of net assets: unrestricted, temporarily restricted and permanently restricted.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amount of revenues, expenses or other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
Cash and cash equivalents include certificates of deposits with original maturities of three (3) months or less. These investments are readily convertible to cash and are stated at cost which approximates market value.

Investments
Investments in marketable equity securities are recorded at market value as of the date of the financial position. Realized and unrealized gains and losses are reflected in the statement of activities. Investment income and gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by donor stipulation.

Purchases and sales of securities are recorded on the trade date. The cost in determining the gain or loss from the sale of securities is based on average cost of the securities involved in the transaction.

The University holds investments in the form of fixed-income securities issued by the United States Government. The University is exposed to credit loss for the amount of the investments in the event of nonperformance by the other parties to the counterparties. To limit any exposure to loss, the University invests according to its approved investment policy.

Inventory
Inventories consist mainly of books and items held for sale in the University's bookstore, and are stated at the lower-of-cost or market and accounted for using the first-in, first-out (FIFO) method.

Property, Plant, and Equipment
Property, plant, and equipment was carried at cost or fair market value at the date of the gift, if donated. Repairs and maintenance are charged to operations. Depreciation was provided over the useful lives of the respective assets on a straight-line basis. The estimated useful lives are as follows:

Buildings	40 years
Building improvements	10 years
Furniture and equipment	5 years

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant, and Equipment (Continued)
Upon disposition of assets, the cost and related accumulated depreciation is removed with the resulting gain or loss recognized in unrestricted net assets.

Annuity Gifts/Payables
Annuity gifts are recorded on the date received. Annuity gifts require the University to pay a fixed annual amount to the annuitant over the annuitant's life. The excess of the cash received over the present value of the annuity obligation is recorded as contribution revenue on the date the annuity gift is received and the liability is determined. To the extent the University is entitled, annuity funds are transferred to operations upon the death of the annuitant. The University monitors reserve funds and is in compliance with guidelines specified by the State of California Department of Insurance.

Interest Rate Swaps
The University began to use an overall interest rate risk-management strategy that incorporates the use of derivative instruments to minimize significant unplanned fluctuations in interest expense that are caused by interest rate volatility. Interest rate swaps involve the exchange of fixed-rate and variable-rate interest payments between two parties, based on a common notional principal amount and maturity date. Under current accounting standards, all derivative instruments are recognized on the statement of financial position at their fair values and changes in fair value are recognized in the statement of activities.

Valuation of Library and Art Collections
The value of the University Library Collection, Fine Art Works at the Mullholland Campus, and Sculpture Garden are not reflected in the financial statements of the University, as it is the University's intent to maintain these as "collections."

Revenue and Expense Recognition
Contributions, including unconditional promises to give, are recognized as revenue in the period received and are reported as increases in the appropriate category of net assets. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Contributions to be received after one year are discounted at an appropriate discount rate. Expenses are reported as decreases in unrestricted net assets. Interest income earned on restricted resources and other revenues are reported as increases in unrestricted net assets unless their use is restricted by donor stipulation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tuition and Fees Revenue

Tuition income is recognized as the educational services are provided. Tuition and fees received by the University for semesters or sessions occurring subsequent to June 30, 2008 are recorded as deferred revenue.

Functional Allocation of Expenses

Costs of providing the 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 and supporting services benefited.

Income Taxes

The University is exempt from federal income and California franchise taxes under the Internal Revenue Code Section 501(c)(3) and corresponding California Revenue and Taxation Code Section 23701(d).

Concentration of Credit Risk

Credit risk is the failure of another party to perform in accordance with the contract terms. Financial instruments which potentially subject the University to concentrations of credit risk consist primarily of cash and cash equivalents; investments; contribution and other receivables; and interest rate swaps.

The University maintains its cash accounts in a number of commercial banks. Accounts at these banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC). At various times during the year, the University had deposits in excess of the FDIC insurance limit. However, the University has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investments securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are included in the financial statements as contributions receivable and revenue of the appropriate net asset category. Promises to give are recorded after discounting, using rates between 3.33% and 6.03%, to the present value of the future cash flows.

NOTE 3 – CONTRIBUTIONS RECEIVABLE (Continued)

Unconditional promises to give are scheduled to be realized in the following periods:

Due in one year or less	$2,675,118
Between one year and five years	2,897,117
More than five years	345,000
	5,917,235
Less: Net present value discount	356,305
Allowance for uncollectible receivables	98,246
Net contributions receivable	**$5,462,684**

NOTE 4 – NOTES RECEIVABLE

The following three promissory notes were acquired as part of the acquisition of ZSRS LLC.

The first promissory note is collateralized by a deed of trust from Glen Development Company in the amount of $5,675,639. The unpaid balance of this note was $5,462,914 as of June 30, 2008. The note has a fixed interest rate of 7.25% and matures on July 31, 2014. Terms of the note require monthly installments of principal and interest payments of $43,024 based on a 25-year amortization schedule.

The second promissory note is collateralized by a deed of trust from Circle Partnership in the amount of $1,595,636. The unpaid balance of the note was $878,789 as of June 30, 2008. The note has a fixed interest rate of 7% and matures on October 27, 2011. The terms of the note require monthly installment principal and interest payments of $11,798 based on a 25-year amortization schedule.

The third promissory note is collateralized by a deed of trust from Cabrillo Partnership in the amount of $180,000. The unpaid balance of the note was $180,000 as of June 30, 2008. The note has a fixed interest rate of 7.25% and matures on October 27, 2011. Terms of the note requires monthly interest payments of $1,088.

Maturities of the notes receivable are as follows:

Fiscal Year Ending June 30,	
2009	$ 412,859
2010	443,615
2011	476,664
2012	512,175
Thereafter	4,676,390
	$ 6,521,703

NOTE 5 – INVESTMENTS

Investments held by the University at June 30, 2008 were as follows:

Investment Description	Carrying Value
State of Israel bonds	$ 60,876
Money market	15,360,805
Equity securities	18,223,615
Fixed income	33,761,965
U.S. Government securities	5,136,158
Real estate partnership interests	7,925,758
Total investments	**$ 80,469,177**

The University received real estate partnership interests in fiscal year 2006 as a gift and the cost is based upon fair value at the date of the gift, which management believes still represents the fair value of the partnership interests at June 30, 2008. In addition the University has an investment in the Brandeis Mutual Water Company that represents a wholly-owned investment in a separate corporation formed to protect the University's interest in the natural water source attached to a local water district serving the Brandeis-Bardin Campus. The investment allows the University to buy its water from the local water district at cost. Brandeis Mutual Water Company has $75,000 in assets. There was no activity in the company for the period ended June 30, 2008.

Investments held for gift annuities were segregated but included in the above schedule. The balance was $1,108,042, at June 30, 2008. The University paid investment management fees of $153,138 for the year ended June 30, 2008.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at June 30, 2008 was comprised of the following:

Land	$ 3,900,146
Buildings and improvements	48,946,930
Furniture and equipment	4,280,100
Livestock	61,200
Automotive equipment	115,261
Construction in progress	6,549,247
	63,852,884
Less accumulated depreciation	27,686,436
Total	**$ 36,166,448**

The University utilizes two campuses under continuing development on property at Mulholland Drive, Los Angeles, California and in Simi Valley, California. The University also owns and utilizes conference grounds in Ojai, California. The cumulative costs of these properties at June 30, 2008 are as follows:

Mulholland Campus property	$ 31,381,807
Ojai Conference Ground property	2,400,117
Simi Valley Campus property	15,214,349
	48,996,273
Less accumulated depreciation	22,747,308
Total	**$ 26,248,965**

NOTE 7 – NOTES, MORTGAGE AND TRUST DEED PAYABLE

The University is obligated under various borrowing an arrangement at June 30, 2008 is as follows:

CEFA 1998 Series A Bonds; interest at 4.03% paid monthly; due December 1, 2028	$ 11,800,000
CEFA 1998 Series B Bonds; interest at 5.2% paid monthly; due December 1, 2028	6,000,000
Note payable to Capital Crossing Bank (SBA); principal and interest due monthly at 4%; maturing on July 16, 2024	1,006,836
$4,000,000 line of credit with a financial institution; Guaranteed by a third-party donor trust; interest at the Prime rate less 0.75% (4.25% at June 30, 2008); due on January 15, 2011	3,951,594
$7,500,000 line of credit with a financial institution; interest rates from 3.58875% to 4.23875%;secured by first deed of trust on the University's Bel Air Campus; due by the end of June 2009.	1,367,061
Note payable to the University of Judaism Foundation; interest due quarterly at 1% below the Prime rate (4.0% at June 30, 2008); due on demand, uncollateralized	100,000
Note payable to Capital Crossing Bank (SBA); principal and interest at 4% due monthly; maturing on August 19, 2019	558,519
Note payable to Board member, non-interest-bearing; due on demand	5,000
Total	**$ 24,789,010**

In December 1998, the University issued two (2) 30-year CEFA bonds: 1998 Series A and Series B. CEFA revenue bonds payable result from borrowings issued through the California Educational Facilities Authority (CEFA) in the form of direct secured revenue bonds. The bonds are collateralized by land and buildings owned by the University and a related party.

The Series A Bond in the amount of $13,500,000 initially had a weekly variable non-taxable interest rate, which may be converted to a fixed rate. The effective variable rate at June 30, 2008 was 1.09%. The bonds were issued to: (i) construct and renovate certain educational facilities of the University; (ii) repay existing indebtedness; (iii) pay capitalized interest; and, (iv) pay certain bond issuance costs. Bond issuance costs of approximately $508,000 were capitalized. These costs are being amortized over 30 years and are included in other assets.

NOTE 7 – NOTES, MORTGAGE AND TRUST DEED PAYABLE (Continued)

The Series B Bond in the amount of $7,000,000 initially had a weekly variable taxable interest rate, which may be converted to a fixed rate. The effective variable rate at June 30, 2008 was 1.25%. The bonds were issued to: (i) refinance existing indebtedness of the University and (ii) to pay certain bond issuance costs. Bond issuance costs of approximately $212,000 were capitalized. These costs are being amortized over 30 years and are included in other assets.

If the University opts to convert the bonds to a "Fixed Rate", the bonds will be subject to a mandatory sinking fund redemption through and including the maturity thereof on December 1st of each year, commencing on the first December 1 occurring at least six (6) months after the "Fixed Rate Adjustment Date", through and including the date of maturity of the "Bonds" of that series. The sinking fund payments will be set to achieve annual level debt service (including both principal and interest) for all remaining "Bond Years."

Repayment of the bonds is supported by an irrevocable direct-pay letter of credit up to the principal amount of the bond plus accrued interest. The letter of credit will expire on December 20, 2011.

Concurrent with the issuance of the bonds, the University established two (2) interest rate swaps with Allied Irish Bank, one of which expired December 1, 2006 and the second which expires December 1, 2008 in the amounts of $6,200,000 and $12,400,000, respectively. The expired swap was replaced by a new swap in the amount of $6,100,000 and which expires December 1, 2015. In addition the University secured a third swap in the amount of $11,500,000 which will replace the swap as it expires on December 1, 2008 and fix the interest rate at 3.94%, this swap will expire on December 1, 2028. The swaps were initiated to fix the interest rate the University pays on the bonds as the actual interest costs over the term of the bonds are based upon weekly variable rates. The rates are fixed at 4.03% and 5.2% for the Series A and B bonds, respectively. As of June 30, 2008, the University has recognized unrealized gains of $218,564 on these agreements.

The most significant covenants of the Series A and B bonds are that the University may not encumber any of the revenue sources specified to repay the bonds and that all arbitrage profits, as defined, will be subject to rebate. The bonds also contain cross-default provisions which put both bonds in default if either of them are in default.

NOTE 7 – NOTES, MORTGAGE AND TRUST DEED PAYABLE (Continued)

Maturities of the notes, mortgage and trust deed payable are as follows:

Fiscal Year Ending June 30,	
2009	$ 1,981,429
2010	509,368
2011	4,460,962
2012	509,368
2013	509,368
Thereafter	16,818,515
	$ 24,789,010

NOTE 8 – NET ASSETS

Unrestricted, temporarily restricted, and permanently restricted net assets at June 30, 2008 were available for the following purposes:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Funds	$ -	$ -	$ 20,052,964	$ 20,052,964
Scholarship Funds	-	-	3,825,787	3,825,787
General Fund	6,496,324	2,063,392	-	8,559,716
Annuity	-	738,227	-	738,227
Plant Fund	(1,148,227)	7,544,397	-	6,396,170
Rabbinic Fund	14,383,671	-	-	14,383,671
Other Funds	10,413,754	32,017,448	-	42,431,202
Total	**$ 30,145,522**	**$42,363,464**	**$ 23,878,751**	**$ 96,387,737**

NOTE 9 – PENSION PLAN

The University has several defined contribution pension plans covering substantially all of its full-time executives and employees.

All such plans are fully funded currently by payments to the various plan trustees. University payments to these plans totaled $428,861 for the year ended June 30, 2008.

NOTE 10 – RELATED-PARTY TRANSACTIONS

The University is a designated beneficiary of the University of Judaism Foundation (the "Foundation"). The Foundation was established in 1980 by officers of the University to support the University and other Public Charities, as defined by the Internal Revenue Code. Under the terms of the Foundation's incorporating documents, the University receives a minimum of approximately 35% of the Foundation's annual income. Additional income amounts, as well as the principal of the Foundation, may be received by the University based upon annual designations of the Foundation's members.

During 2008, the Foundation distributed $9,787 to the University and will distribute an additional $8,191 for 2008 activity.

In addition, included in notes payable (see Note 7) is a $100,000 loan by the Foundation to the University. During fiscal year 2008 the University paid $7,250 in interest on this loan.

The University is the recipient of a non-interest-bearing note (see Note 7) made by a member of the Board of Directors which is payable by the University on demand.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Federal Funding

Certain federal grants which the University administers and for which it receives reimbursements are subject to audit and final acceptance by federal granting agencies. The amount of expenditures that may be disallowed by the grantor, if any, cannot be determined at this time. The University expects that such amounts, if any, would not have a significant impact on the financial position of the University.