

ASIAN AMERICAN FEDERATION, INC.

FINANCIAL STATEMENTS

and

INDEPENDENT AUDITOR'S REPORT

**For the Years Ended
June 30, 2012 and 2011**



PADILLA & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

ASIAN AMERICAN FEDERATION, INC.

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Asian American Federation, Inc.

We have audited the accompanying statements of financial position of Asian American Federation, Inc. (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities and changes in net assets, cash flows for the years then ended. These financial statements are the responsibility of the Organization'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 Asian American Federation, Inc. as of June 30, 2012 and 2011, and the related statements of activities and changes in net assets, cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of functional expenses on page 5 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Padilla and Company, LLP

Jamaica, New York
January 3, 2013

ASIAN AMERICAN FEDERATION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2012 AND 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets		
Cash and cash equivalents (Notes 2 and 3)	\$ 603,944	\$ 589,136
Receivables (Notes 2 and 4)	64,984	62,067
Prepaid expenses	12,222	11,835
Total Current Assets	<u>681,150</u>	<u>663,038</u>
Noncurrent Assets		
Long term investments for endowment fund (Note 5)	363,007	360,605
Equipment, furniture & leasehold improvements (Notes 2 and 6)	77,166	3,110
Other assets - security deposits	100,902	19,527
Total Noncurrent Assets	<u>541,075</u>	<u>383,242</u>
Total Assets	<u>\$ 1,222,225</u>	<u>\$ 1,046,280</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued expenses (Note 7)	\$ 19,163	\$ 189,824
Due to other agency (Note 8)	117,524	-
Deferred income (Note 9)	410,000	307,500
Total Current Liabilities	<u>546,687</u>	<u>497,324</u>
Net Assets		
Unrestricted	312,531	188,351
Temporarily restricted		
Interest income on endowment fund	24,091	16,476
Permanently restricted (Note 10)		
Endowment fund	338,916	344,129
Total Net Assets	<u>675,538</u>	<u>548,956</u>
Total Liabilities and Net Assets	<u>\$ 1,222,225</u>	<u>\$ 1,046,280</u>

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

ASIAN AMERICAN FEDERATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012	2011
<u>Revenues, Gains, and Other Support</u>					
Grants-Corporation & Foundation	\$ 627,000	\$ -	\$ -	\$ 627,000	\$ 555,526
Benefit Events	530,032	-	-	530,032	554,162
Contributions	55,588	-	-	55,588	95,445
Rent	28,035	-	-	28,035	13,352
Workplace Campaign	22,767	-	-	22,767	18,152
Interest Income - Endowment Fund	-	9,335	-	9,335	4,947
Interest Income	4,195	-	-	4,195	610
Income collected on behalf of other agencies (Note 12)	1,280	-	-	1,280	91,556
Contributions - Endowment	-	-	1,000	1,000	10,200
	<u>1,268,897</u>	<u>9,335</u>	<u>1,000</u>	<u>1,279,232</u>	<u>1,343,950</u>
Net assets released from restrictions: Satisfaction of program restrictions	-	-	-	-	-
Total revenues, gains and other support	<u>1,268,897</u>	<u>9,335</u>	<u>1,000</u>	<u>1,279,232</u>	<u>1,343,950</u>
<u>Expenses</u>					
Program Services:					
Philanthropy & Community Fund	295,317	-	-	295,317	448,361
Agency services					
General Member Services	286,716	-	-	286,716	166,536
Expenses incurred on behalf of other agencies	5,423	-	-	5,423	91,556
Policy & Research	154,948	-	-	154,948	128,622
Civic Engagement	140,089	-	-	140,089	209,827
Total Program Services	<u>882,493</u>	<u>-</u>	<u>-</u>	<u>882,493</u>	<u>1,044,902</u>
Supporting services:					
Administration and general	68,455	1,720	-	70,175	88,964
Fund Raising					
Benefit Events	135,087	-	-	135,087	128,991
Others	58,682	-	-	58,682	88,623
Total expenses	<u>1,144,717</u>	<u>1,720</u>	<u>-</u>	<u>1,146,437</u>	<u>1,351,480</u>
Change in net assets	124,180	7,615	1,000	132,795	(7,530)
Unrealized gain (loss) - endowment fund	-	-	(6,213)	(6,213)	27,001
	124,180	7,615	(5,213)	126,582	19,471
Net assets beginning of year	<u>188,351</u>	<u>16,476</u>	<u>344,129</u>	<u>548,956</u>	<u>529,485</u>
Net assets end of year	<u>\$ 312,531</u>	<u>\$ 24,091</u>	<u>\$ 338,916</u>	<u>\$ 675,538</u>	<u>\$ 548,956</u>

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

ASIAN AMERICAN FEDERATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
Cash Flows from Operating Activities:		
Change in net assets	\$ 126,582	\$ 19,471
Adjustments to reconcile change in net assets to net cash provided by/used in operating activities:		
Depreciation and amortization	8,790	1,442
Decrease (increase) in receivable	(2,917)	153,546
Increase (decrease) in prepaid expenses	(387)	(180)
Increase (decrease) in accounts payable and accrued expenses	(170,661)	177,697
Increase (decrease) in due to other agencies	117,524	(62,313)
Increase (decrease) in deferred income	102,500	65,474
Decrease (increase) in endowment fund investments	(2,402)	(40,645)
Net cash provided by operating activities	179,029	314,492
Cash Flows from Investing Activities:		
Acquisition of Equipment, Furniture, and Leasehold Improvements	(82,846)	(1,625)
Payment for additional security deposit on lease agreement	(81,375)	
Net cash used in investing activities	(164,221)	(1,625)
Cash Flows from Financing Activities:		
Proceeds from borrowings	200,000	-
Payment of borrowings	(200,000)	-
Net cash provided by (used in) financing activities	-	-
Net increase in cash and cash equivalents	14,808	312,867
Cash and cash equivalents at beginning of year	589,136	276,269
Cash and cash equivalents at end of year	\$ 603,944	\$ 589,136

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

**ASIAN AMERICAN FEDERATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	PROGRAM SERVICES					ADMIN. & GENERAL	FUND RAISING	TOTAL	
	AGENCY SERVICES	POLICY & RESEARCH	CIVIC ENGAGEMENT	PHILANTHROPY	TOTAL			2012	2011
Personnel Services									
Salaries	\$ 144,509	\$ 81,888	\$ 77,071	\$ 130,058	\$ 433,526	\$ 19,268	\$ 28,902	\$ 481,696	\$ 501,859
Employee Fringe Benefits	36,653	20,770	19,548	32,988	109,959	6,109	6,109	122,177	121,245
Total Personnel Services	<u>181,162</u>	<u>102,658</u>	<u>96,619</u>	<u>163,046</u>	<u>543,485</u>	<u>25,377</u>	<u>35,011</u>	<u>603,873</u>	<u>623,105</u>
Other Than Personnel Services (OTPS)									
Advertising	-	-	-	-	-	-	-	-	385
Agency Support (Note 11)	22,454	-	-	58,500	80,954	-	-	80,954	237,808
Audit	-	-	-	-	-	7,000	-	7,000	6,600
Award	-	-	-	-	-	-	-	-	2,448
Bank Charges	-	-	-	-	-	500	1,629	2,129	1,285
Benefit Events	-	-	-	-	-	-	135,087	135,087	128,991
Computer Expenses	213	115	115	190	633	46	67	746	1,693
Consultant Services	5,018	10,818	1,018	3,025	19,879	409	594	20,882	30,565
Depreciation and Amortization	2,505	1,355	1,355	2,238	7,453	546	791	8,789	1,442
Endowment Expenses	-	-	-	-	-	1,720	-	1,720	1,504
Equipment	144	78	78	128	428	31	45	504	690
Equipment Rental	1,545	836	836	1,381	4,598	336	488	5,422	5,460
Expenses incurred in behalf of other agencies (Note 12)	1,280	-	-	-	1,280	-	-	1,280	91,556
Furniture	-	-	-	-	-	152	-	152	-
Insurance	-	-	-	-	-	6,423	-	6,423	5,168
Interest expenses	-	-	-	-	-	2,170	-	2,170	-
Meetings	3,819	-	935	4,589	9,343	370	356	10,069	14,035
Membership	-	-	-	-	-	1,425	-	1,425	1,850
Miscellaneous	358	194	194	319	1,066	77	114	1,257	1,659
Moving	-	-	-	-	-	5,400	-	5,400	-
Office Supplies	881	477	477	787	2,622	192	278	3,092	1,686
Postage and Messenger Services	205	111	111	184	611	45	65	721	2,400
Printing	5,826	2,674	168	1,470	10,138	53	77	10,268	8,952
Public Relations	2,355	-	-	254	2,609	3,506	-	6,115	6,349
Publications	-	-	-	-	-	339	-	339	436
Rent & Utilities	53,738	29,075	29,075	48,006	159,894	11,690	16,970	188,554	144,714
Repairs & Maintenance	1,888	1,021	1,021	5,954	9,884	411	596	10,891	12,325
Staff Development	-	-	-	1,819	1,819	385	-	2,204	-
Telephone	2,391	1,294	1,294	2,136	7,115	520	755	8,390	8,193
Travel	5,504	3,780	6,331	529	16,144	866	577	17,587	7,173
Worldnet & Website	853	462	462	762	2,539	186	269	2,994	3,008
Total OTPS	<u>110,977</u>	<u>52,290</u>	<u>43,470</u>	<u>132,271</u>	<u>339,009</u>	<u>44,798</u>	<u>158,758</u>	<u>542,564</u>	<u>728,375</u>
Total Expenses	\$ 292,139	\$ 154,948	\$ 140,089	\$ 295,317	\$ 882,493	\$ 70,175	\$ 193,769	\$ 1,146,437	\$ 1,351,480

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

ASIAN AMERICAN FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 ORGANIZATION AND OPERATIONS

The Asian American Federation, Inc. (the “Organization”) is a not-for-profit organization incorporated in 1989 under the laws of the State of New York. The Federation is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code and has been designated as a Not-for-Profit Corporation, which is not a private foundation.

The Organization’s mission is to advance the civic voice and well-being of Asian Americans. The organization collaboratively fosters philanthropy in the community, undertakes research to increase the knowledge of and to shape policies affecting the Asian American community, and provides support to different community service organizations.

The Organization is principally engaged in helping Asian American community agencies access resources and serving as a social policy advocate in behalf of the entire Asian American community. It is substantially funded through internal fundraising activities and contributions and grants awarded by private foundations, corporations, and individual donors.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and presented in conformity with generally accepted accounting principles for not-for-profit organizations and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. The financial statements presentation is in conformity with accounting principles generally accepted in the United States of America (US GAAP) for not-for-profit organizations, which require the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

ASIAN AMERICAN FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 statement of activities as net assets released from restrictions.

Grant Awards

Grant awards received for a specific purpose are recognized as support to the extent of the related expenses incurred in compliance with the specific restrictions. The unexpended funds are reported as deferred income.

Equipment, Furniture, and Leasehold Improvements

Equipment, Furniture and Leasehold Improvements are recorded at cost and do not reflect changes in current market values. Assets purchased costing \$1,000 or more are capitalized. Donations of equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor restricted the donated asset to a specific purpose.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management in accordance with grant provisions or other equitable bases.

ASIAN AMERICAN FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization's management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months, excluding permanently restricted cash. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Fair Value Measurement

FASB Accounting Standards Codification 820-10 (ASC 820-10) defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). ASC 820-10 includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820-10 are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- quoted prices for similar assets and liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)

ASIAN AMERICAN FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity. Level 3 inputs include management’s own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

Receivables

Receivables are stated at the amounts the Organization expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There are no doubtful accounts for the fiscal years ended June 30, 2012 and 2011.

NOTE 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2012 and 2011 consist of:

	<u>2012</u>	<u>2011</u>
High Yield Savings (Chase Bank)	\$ 542,348	\$ 567,163
Business Checking Account (Chase Bank)	59,133	12,950
Operating Account (Chase Bank)	899	7,576
Payroll Account (Chase Bank/TD Bank)	809	849
Regular Checking Account (TD Bank)	755	598
Total	<u>\$ 603,944</u>	<u>\$ 589,136</u>

ASIAN AMERICAN FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 RECEIVABLES

Receivables as of June 30, 2012 and 2011 consist of:

	2012	2011
Accounts Receivables		
Gala ticket sales, golf, auction and donations	\$ 58,100	\$ 50,450
Sublease Income	6,764	-
Miscellaneous Income	120	-
Grants:		
Asian American Justice Center, Inc.	-	9,750
The Ong Family Foundation	-	1,867
Total	\$ 64,984	\$ 62,067

As of January 3, 2013, a total of \$52,984 out of \$64,984 was already received by the Organization.

NOTE 5 LONG TERM INVESTMENTS FOR ENDOWMENT FUND

Investments at fair value (Level 1) as of June 30, 2012 and 2011 consist of:

	Permanently Restricted			
	Community	AAF		
	Endowment Fund	Endowment Fund	2012	2011
Mutual Funds	\$ 173,566	\$ 134,436	\$ 308,002	\$ 220,192
Money Funds	8,211	2,795	11,006	56,373
Closed end Funds	1,782	1,781	3,563	10,571
Cash Balance	35	16	51	-
Government & GSE bonds	-	-	-	38,332
Investment/Interest Income	14,003	13,320	27,323	17,987
Unrealized Gain (Loss):				
Mutual Funds	6,101	5,820	11,921	13,359
Closed end Funds	570	571	1,141	1,819
Government & GSE bonds	-	-	-	1,706
Capital Gain (Loss)/Accrued Interest	-	-	-	266
Total	\$ 204,268	\$ 158,739	\$ 363,007	\$ 360,605

NOTE 6 EQUIPMENT, FURNITURE & LEASEHOLD IMPROVEMENTS

Equipment, furniture, and Leasehold improvements as of June 30, 2012 and 2011 consist of:

	2012	2011
Office Equipment	\$ 116,003	\$ 85,495
Leasehold Improvements	53,885	9,532
Furniture and Fixtures	21,380	13,395
Total	191,268	108,422
Less: Accumulated Depreciation	(114,102)	(105,312)
Net book value	\$ 77,166	\$ 3,110

Depreciation Expense for fiscal year 2012 amounts to \$8,789.

ASIAN AMERICAN FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses as of June 30, 2012 and 2011 consist of:

	<u>2012</u>	<u>2011</u>
Audit Fee	\$ 7,000	\$ 6,600
Equipment Rental - Canon	5,320	-
Travel	2,756	-
Utilities	1,889	2,871
Benefit Expenses-Direct Charge Chase Bank	1,009	100
Benefit Expense-Printing	694	-
Meeting	446	-
Benefit Expenses-NY Charities.Org	30	150
Website/Internet Expense	11	-
Printing	8	-
Agency support	-	179,750
Commuter Taxes	-	353
Total	<u>\$ 19,163</u>	<u>\$ 189,824</u>

As of January 3, 2013, a total of \$12,623 out of \$19,163 was already paid by the Organization.

NOTE 8 DUE TO OTHER AGENCY

An amount of \$117,524 received on behalf of other agency was subsequently disbursed after June 30, 2012.

NOTE 9 DEFERRED INCOME

Deferred income represents grants received during the fiscal year but intended for the succeeding fiscal year. This consists of the following

	<u>2012</u>	<u>2011</u>
Wallace Coulter Foundation	\$ 400,000	\$ 300,000
The Prospect Hill Foundation Inc.	10,000	-
Northrop Grumman	-	7,500
Total	<u>\$ 410,000</u>	<u>\$ 307,500</u>

ASIAN AMERICAN FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10 PERMANENTLY RESTRICTED NET ASSETS

Since fiscal year 2007, the Organization has established an endowment fund consisting of the Community Fund and the AAF Endowment Fund amounting to \$202,945 and \$157,660 respectively. The total amount of the endowment fund was invested with Morgan Stanley Smith Barney (Note 5).

NOTE 11 AGENCY SUPPORT

The following member agencies were the beneficiaries of support contributions:

Name of Recipient Agencies	2012	2011
New York Asian Women's Center	\$ 20,824	\$ 61,330
South Asian Youth Action	10,496	25,318
Japan Medical Support Network, Inc.	10,000	-
Women in Need Center	5,300	-
Asian Women's Christian Association	5,000	400
Mil Al Mission in New York	5,000	-
Asian Americans for Equality, Inc.	3,823	5,624
Korean American Family Service Center	1,400	15,925
Chinatown Manpower Project, Inc.	1,362	846
Asian American Legal Defense & Education Fund	1,266	1,350
Charles B. Wang Community Health Center	1,089	928
Filipino American Human Services, Inc.	1,065	911
Sakhi for South Asian Women	1,005	697
Greater Chinatown Community Association	954	19,827
Korean Community Services of Metropolitan New York, Inc.	892	2,349
Chinese Progressive Association	820	133
APEX	776	385
Chinatown YMCA	774	1,514
Asian & Pacific Islander Coalition on HIV/AIDS, Inc.	704	1,267
Coalition for Asian American Children & Families	641	30,562
YWCA of Queens	572	301
Korean American Senior Citizens Society	558	428
Selfhelp Community Services, Inc.	500	-
Indochina Sino-American Senior Citizen Center	471	345
China Institute in America	467	368
Homecrest Community Services, Inc.	431	135
Brooklyn Chinese-American Association	430	421
CHHAYA Community Development	409	20,383
Chinese Methodist Center Corp.	402	325
Hamilton - Madison House, Inc.	384	911
Minkwon Center for Community Action	369	30,431

ASIAN AMERICAN FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 11 AGENCY SUPPORT (continued)

Name of Recipient Agencies	2012	2011
Lower East Side Family Union	362	268
Korean American Community Center of New York	348	66
Japanese American Social Services, Inc.	328	169
Chinatown Health Clinic Foundation	300	300
Flushing YMCA	284	133
Garden of Hope, Inc.	282	175
Immigrant Social Services, Inc.	280	842
Damayyan Migrant Workers Association	205	94
Chinese-American Planning Council, Inc.	125	-
Asian Youth Center of New York	119	72
Korean Family Counseling and Research Center	46	50
Korean American League for Civic Action, Inc.	32	50
South Asian Council for Social Services	32	15,241
The Sikh Coalition	30	41
NY de Volunteer Inc.	-	3,000
Family Health Project, Inc.	-	94
Research Foundation-CUNY (Hunter College SSW)	-	(6,200) *
Total agency support	<u>\$ 80,954</u>	<u>\$ 237,808</u>

* Amount pertains to agency support given to Research Foundation-CUNY (Hunter College SSW) in fiscal year 2010 and returned to Asian American Federation, Inc. in fiscal year 2011.

NOTE 12 INCOME COLLECTED AND EXPENSES INCURRED ON BEHALF OF OTHER AGENCIES

Income collected on behalf of the other agencies represents donations received on behalf of the agencies enumerated below. Three of these agencies (CACF, KAFSC, and Chinatown YMCA) already got their 501 (c) (3) tax exempt status. The Organization collected the donations and remitted them to these agencies as follows:

Name of Agencies	2012	2011
Mekong	\$ 1,280	\$ -
Kyopo	-	49,114
AsiaNextGen	-	19,000
Chinatown YMCA	-	8,491
CACF	-	7,207
KAFSC	-	5,057
Civil Liberty Public Education Fund	-	2,687
Total	<u>\$ 1,280</u>	<u>\$ 91,556</u>

ASIAN AMERICAN FEDERATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 13 LEASE COMMITMENTS

Office Space Rental

On July 8, 2011, the Organization extended its lease agreement with Wall Street Company for its office space located at 120 Wall Street, New York. The term extends for fourteen (14) years and five (5) months commencing on August 1, 2012 and expiring on December 31, 2026. The annual minimum rent is as follows:

August 1, 2012 – December 31, 2017	\$ 201,804
January 1, 2018 – December 31, 2022	219,876
January 1, 2013 – December 31, 2026	237,948

Rent and utilities during the year amounts to \$188,554.

Equipment Rental

On December 15, 2011, the Organization entered into a lease agreement with Superior Office Systems for an equipment rental. The term of the lease is five (5) years. The annual minimum rent amounts to \$4,308.

NOTE 14 RETIREMENT PLAN

The Organization sponsors a 403 (b) pension plan for the benefit of its employees who have rendered at least one year of service. The Organization contributes 3% of participants' annual salary. The employees have the option to contribute his or her share up to a maximum of \$16,500 annually. Contributions made for the years ended June 30, 2012 and 2011 amounted to \$11,230 and \$12,811 respectively.

NOTE 15 CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash account in financial institutions, which from time to time, exceed the Federal depository insurance coverage limit. The Organization maintains its cash balances at various financial institutions in New York. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has not experienced any losses.

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NOTE 16 LINE OF CREDIT

The Organization has a \$200,000 line of credit with TD Bank. The line of credit was renewed on November 9, 2011 and extends up to November 9, 2012. Total proceeds and payment from/to the line of credit for the fiscal year amounts to \$200,000. As of June 30, 2012, outstanding balance amounts to \$0.

NOTE 17 SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 3, 2013, the date which the financial statements were available for issue; no subsequent events of material in nature came to our attention that needs disclosure.

