ASIAN AMERICAN FEDERATION, INC.

FINANCIAL STATEMENTS

and

INDEPENDENT AUDITOR'S REPORT

For the Years Ended
June 30, 2011 and 2010
**TABLE OF CONTENTS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditor's Report</td>
<td>1</td>
</tr>
<tr>
<td>Statements of Financial Position</td>
<td>2</td>
</tr>
<tr>
<td>Statements of Activities and Changes in Net Assets</td>
<td>3</td>
</tr>
<tr>
<td>Statements of Cash Flows</td>
<td>4</td>
</tr>
<tr>
<td>Statements of Functional Expenses</td>
<td>5</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>6 - 17</td>
</tr>
</tbody>
</table>
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. as of June 30, 2011 and 2010 and the related statements of activities and changes in net assets, of functional expenses and of cash flows for the years then ended. These financial statements are the responsibility of the Federation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 audits provide 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, 2011 and 2010, and the results of its operations and changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Jamaica, New York
September 15, 2011
# ASIAN AMERICAN FEDERATION, INC.
## STATEMENTS OF FINANCIAL POSITION
### AS OF JUNE 30, 2011 AND 2010

### ASSETS:

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (Notes 2 and 3)</td>
<td>$589,136</td>
<td>$276,269</td>
</tr>
<tr>
<td>Receivables (Notes 2 and 4)</td>
<td>62,067</td>
<td>215,613</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>11,835</td>
<td>11,655</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$663,038</td>
<td>$503,537</td>
</tr>
<tr>
<td><strong>Long term investments for endowment fund (Note 5)</strong></td>
<td>360,605</td>
<td>319,960</td>
</tr>
<tr>
<td>Equipment, furniture &amp; leasehold improvements (Notes 2 and 6)</td>
<td>3,110</td>
<td>2,927</td>
</tr>
<tr>
<td>Other assets - security deposits</td>
<td>19,527</td>
<td>19,527</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$1,046,280</td>
<td>$845,951</td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET ASSETS:

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses (Note 7)</td>
<td>$189,824</td>
<td>$12,127</td>
</tr>
<tr>
<td>Due to other agencies (Note 8)</td>
<td>-</td>
<td>62,313</td>
</tr>
<tr>
<td>Deferred income (Note 9)</td>
<td>307,500</td>
<td>242,026</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$497,324</td>
<td>$316,466</td>
</tr>
</tbody>
</table>

### NET ASSETS:

<table>
<thead>
<tr>
<th>Description</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$188,351</td>
<td>$209,517</td>
</tr>
<tr>
<td>Temporarily restricted (Note 11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income on endowment fund</td>
<td>16,476</td>
<td>13,040</td>
</tr>
<tr>
<td>Permanently restricted (Note 11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment fund</td>
<td>344,129</td>
<td>306,928</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>$548,956</td>
<td>$529,485</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$1,046,280</td>
<td>$845,951</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit Events</td>
<td>554,162</td>
<td>-</td>
<td>-</td>
<td>554,162</td>
<td>659,923</td>
</tr>
<tr>
<td>Contributions</td>
<td>95,445</td>
<td>-</td>
<td>-</td>
<td>95,445</td>
<td>116,824</td>
</tr>
<tr>
<td>Contributions - Endowment (Note 11)</td>
<td>-</td>
<td>-</td>
<td>10,200</td>
<td>10,200</td>
<td>2,700</td>
</tr>
<tr>
<td>Grants-Corporation &amp; Foundation</td>
<td>555,526</td>
<td>-</td>
<td>-</td>
<td>555,526</td>
<td>1,181,635</td>
</tr>
<tr>
<td>Income collected on behalf of other agencies (Note 18)</td>
<td>91,556</td>
<td>-</td>
<td>-</td>
<td>91,556</td>
<td>26,318</td>
</tr>
<tr>
<td>Government contract</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>315,256</td>
</tr>
<tr>
<td>Interest Income</td>
<td>610</td>
<td>-</td>
<td>-</td>
<td>610</td>
<td>975</td>
</tr>
<tr>
<td>Interest Income - Endowment Fund</td>
<td>-</td>
<td>4,947</td>
<td>-</td>
<td>4,947</td>
<td>4,814</td>
</tr>
<tr>
<td>Rent</td>
<td>13,352</td>
<td>-</td>
<td>-</td>
<td>13,352</td>
<td>10,203</td>
</tr>
<tr>
<td>Workplace Campaign</td>
<td>18,152</td>
<td>-</td>
<td>-</td>
<td>18,152</td>
<td>21,830</td>
</tr>
<tr>
<td><strong>Total revenues, gains and other support</strong></td>
<td><strong>1,328,803</strong></td>
<td><strong>4,947</strong></td>
<td><strong>10,200</strong></td>
<td><strong>1,343,950</strong></td>
<td><strong>2,340,478</strong></td>
</tr>
<tr>
<td>Net assets released from restrictions:</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Expenses:**

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Member Services</td>
<td>166,536</td>
<td>-</td>
<td>-</td>
<td>166,536</td>
<td>230,719</td>
</tr>
<tr>
<td>Expenses incurred on behalf of other agencies</td>
<td>91,556</td>
<td>-</td>
<td>-</td>
<td>91,556</td>
<td>26,318</td>
</tr>
<tr>
<td>Policy &amp; Research</td>
<td>128,622</td>
<td>-</td>
<td>-</td>
<td>128,622</td>
<td>84,272</td>
</tr>
<tr>
<td>Civic Engagement</td>
<td>209,827</td>
<td>-</td>
<td>-</td>
<td>209,827</td>
<td>892,313</td>
</tr>
<tr>
<td>Mental Health</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>256,982</td>
</tr>
<tr>
<td>Philanthropy &amp; Community Fund</td>
<td>448,361</td>
<td>-</td>
<td>-</td>
<td>448,361</td>
<td>352,099</td>
</tr>
<tr>
<td><strong>Total Program Services</strong></td>
<td><strong>1,044,903</strong></td>
<td>-</td>
<td>-</td>
<td><strong>1,044,903</strong></td>
<td><strong>1,611,984</strong></td>
</tr>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration and general</td>
<td>87,459</td>
<td>1,504</td>
<td>-</td>
<td>88,963</td>
<td>88,945</td>
</tr>
<tr>
<td>Fund Raising (Note 12)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benefit Events</td>
<td>128,991</td>
<td>-</td>
<td>-</td>
<td>128,991</td>
<td>137,750</td>
</tr>
<tr>
<td>Others</td>
<td>88,623</td>
<td>-</td>
<td>-</td>
<td>88,623</td>
<td>96,855</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>1,349,976</strong></td>
<td><strong>1,504</strong></td>
<td>-</td>
<td><strong>1,351,480</strong></td>
<td><strong>1,935,534</strong></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ (21,173)</td>
<td>$ 3,443</td>
<td>$ 10,200</td>
<td>$ (7,530)</td>
<td>$ 404,944</td>
</tr>
<tr>
<td>Unrealized gain (loss) - endowment fund</td>
<td>-</td>
<td>-</td>
<td>27,001</td>
<td>27,001</td>
<td>9,845</td>
</tr>
<tr>
<td>Net assets beginning of year</td>
<td>209,523</td>
<td>13,034</td>
<td>306,928</td>
<td>529,485</td>
<td>345,415</td>
</tr>
<tr>
<td><strong>Net assets end of year</strong></td>
<td><strong>$ 188,351</strong></td>
<td><strong>$ 16,476</strong></td>
<td><strong>$ 344,129</strong></td>
<td><strong>$ 548,956</strong></td>
<td><strong>$ 760,204</strong></td>
</tr>
</tbody>
</table>

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, 2011 AND 2010

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities:</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$19,471</td>
<td>$184,070</td>
</tr>
</tbody>
</table>

Adjustments to reconcile change in net assets to net cash provided by/used in operating activities:

- Depreciation and amortization: 1,442 $585
- Donated equipment included in support:  
- Decrease (increase) in receivable: 153,546 $(155,641)
- Decrease (increase) in grants receivable:  
- Decrease (increase) in other receivables:  
- Decrease (increase) in loans receivable:  
- Decrease (increase) in prepaid expenses: (180) $165
- Increase (decrease) in accounts payable and accrued expenses: 177,697 $(20,008)
- Increase (decrease) in due to other agencies: (62,313) $989
- Increase (decrease) in direct contributions payable:  
- Increase (decrease) in deferred income: 65,474 $(63,115)
- Decrease (increase) in endowment fund investments: (40,645) $(15,937)

Net cash provided by (used in) operating activities: 314,492 $(68,892)

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities:</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash used in Equipment, Furniture, and Leasehold Improvements (purchase of computer - server): (1,625)</td>
<td>3,512</td>
<td></td>
</tr>
<tr>
<td>Cash provided by (used in) investing activities:</td>
<td>(1,625)</td>
<td>3,512</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Financing Activities:</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by (used in) financing activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Net increase (decrease) in cash and cash equivalents: 312,867 $(72,404)

**Cash and cash equivalents at beginning of year**  
2011: $276,269  
2010: $348,673

**Cash and cash equivalents at end of year**  
2011: $589,136  
2010: $276,269

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

Note A: See Statement of Activities in change in net asset and adjustment to net asset.
**ASIAN AMERICAN FEDERATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

**Program Services**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Fringe Benefits</td>
<td>30,869</td>
<td>30,869</td>
<td>30,869</td>
<td>30,869</td>
<td>9,489</td>
<td>9,489</td>
<td>9,489</td>
<td>9,489</td>
<td>9,489</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$217,614</td>
<td>$217,614</td>
<td>$217,614</td>
<td>$217,614</td>
<td>$1,504,204</td>
<td>$1,504,204</td>
<td>$1,504,204</td>
<td>$1,504,204</td>
<td>$1,504,204</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
1. **ORGANIZATION AND OPERATIONS**

   The Asian American Federation, Inc. is a nonprofit 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 Asian American Federation’s mission is to advance the civic voice and well-being of Asian Americans. The Federation collaboratively fosters philanthropy in the community, undertake research to inform policies, and to provide support to community service organizations.

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

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

   a) **Basis of Accounting**

   The financial statements of the Federation have been prepared on the accrual basis and presented in conformity with generally accepted accounting principles for nonprofit organizations and accordingly reflect all significant receivables, payables, and other liabilities.

   b) **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 Federation to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.
c) **Revenue Recognition**

**Contribution**

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.

d) **Equipment, Furniture, and Leasehold Improvements**

Property and equipment 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.

e) **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.
f) **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Federation'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.

**g) 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.

**h) 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)
- 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.

i) Receivables

Receivables are stated at the amounts the Federation 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, 2011 and 2010.

3. CASH AND CASH EQUIVALENTS

These consist of the following:

<table>
<thead>
<tr>
<th>Account</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Account (Chase Bank)</td>
<td>$7,576</td>
<td>$13,506</td>
</tr>
<tr>
<td>Regular Checking Account (TD Bank)</td>
<td>598</td>
<td>19,243</td>
</tr>
<tr>
<td>Payroll Account (Chase Bank/TD Bank)</td>
<td>849</td>
<td>496</td>
</tr>
<tr>
<td>High Yield Savings (Chase Bank)</td>
<td>567,162</td>
<td>222,622</td>
</tr>
<tr>
<td>Business Checking Account (Chase Bank)</td>
<td>12,950</td>
<td>20,402</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td><strong>$589,135</strong></td>
<td><strong>$276,269</strong></td>
</tr>
</tbody>
</table>
4. RECEIVABLES

These consist of:

<table>
<thead>
<tr>
<th>Accounts Receivables</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gala ticket sales, golf, auction and donations</td>
<td>$50,450</td>
<td>$39,300</td>
</tr>
<tr>
<td>Grants:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Ong Family Foundation</td>
<td>1,867</td>
<td></td>
</tr>
<tr>
<td>Asian American Justice Center, Inc.</td>
<td>9,750</td>
<td></td>
</tr>
<tr>
<td>New York State Census Grant</td>
<td></td>
<td>176,263</td>
</tr>
<tr>
<td>Refund Receivable from 6/25/10</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>$62,067</td>
<td>$215,613</td>
</tr>
</tbody>
</table>

The total amount of $45,067 representing gala ticket sales, golf, auction donations and grants were subsequently collected after June 30, 2011, while the remaining amount of $17,000 ( $12,000 – Goldman Sachs; $5,000.00-Verizon) is still outstanding as of audit date.

5. INVESTMENTS

Investments at fair value (Level 1) comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Permanently Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regular Account</td>
<td>Community Endowment Fund</td>
</tr>
<tr>
<td>Money Funds</td>
<td>-</td>
<td>$39,810</td>
</tr>
<tr>
<td>Cash Balance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closed end Funds</td>
<td>-</td>
<td>5,677</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>-</td>
<td>120,807</td>
</tr>
<tr>
<td>Government &amp; GSE bonds</td>
<td>-</td>
<td>19,167</td>
</tr>
<tr>
<td>Certificate of Deposit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment/Interest Income</td>
<td>-</td>
<td>8,839</td>
</tr>
<tr>
<td>Capital Gain (Loss)/Accrued Interest</td>
<td>-</td>
<td>133</td>
</tr>
<tr>
<td>Unrealized Gain (Loss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government &amp; GSE bonds</td>
<td>-</td>
<td>852</td>
</tr>
<tr>
<td>Certificate of Deposit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closed end Funds</td>
<td>-</td>
<td>962</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>-</td>
<td>6,698</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$ -</td>
<td>$202,945</td>
</tr>
</tbody>
</table>
6. **EQUIPMENT, FURNITURE & LEASEHOLD IMPROVEMENTS**

These consist of:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Equipment</td>
<td>$85,496</td>
<td>$83,870</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>13,395</td>
<td>13,395</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>9,532</td>
<td>9,532</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>108,423</td>
<td>106,797</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>(105,312)</td>
<td>(103,870)</td>
</tr>
<tr>
<td><strong>Net Book Value</strong></td>
<td>$3,111</td>
<td>$2,927</td>
</tr>
</tbody>
</table>

7. **ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenditures consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Padilla and Company, LLP</td>
<td>$6,600</td>
<td>$6,350</td>
</tr>
<tr>
<td>120 Wall Street Company LLC (Utilities)</td>
<td>2,872</td>
<td>2,460</td>
</tr>
<tr>
<td>Advertising</td>
<td>-</td>
<td>1,050</td>
</tr>
<tr>
<td>Meeting</td>
<td>-</td>
<td>571</td>
</tr>
<tr>
<td>Printing</td>
<td>-</td>
<td>536</td>
</tr>
<tr>
<td>Equipment Rental</td>
<td>-</td>
<td>418</td>
</tr>
<tr>
<td>Travel</td>
<td>-</td>
<td>407</td>
</tr>
<tr>
<td>Professional Fee-Census Project</td>
<td>-</td>
<td>250</td>
</tr>
<tr>
<td>Benefit Expenses-Direct Charge Chase Bank</td>
<td>100</td>
<td>85</td>
</tr>
<tr>
<td>Benefit Expenses-NY Charities.Org</td>
<td>150</td>
<td>-</td>
</tr>
<tr>
<td>Commuter Taxes</td>
<td>353</td>
<td>-</td>
</tr>
<tr>
<td>Agency support</td>
<td>179,750</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$189,824</td>
<td>$12,127</td>
</tr>
</tbody>
</table>
8. **DUE TO OTHER AGENCIES**

Total amount of $91,555 received in behalf of other agencies was disbursed during the year.

9. **DEFERRED INCOME**

This balance represents grants received during the current fiscal year but intended for the succeeding fiscal year:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anonymous Grants</td>
<td>$</td>
<td>$ 192,026</td>
</tr>
<tr>
<td>Individual Donations</td>
<td>-</td>
<td>45,000</td>
</tr>
<tr>
<td>The Philanthropic Collaborative-Kellogg Grant</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Wallace Coulter Foundation</td>
<td>300,000</td>
<td>-</td>
</tr>
<tr>
<td>Northrop Grumman</td>
<td>7,500</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 307,500</td>
<td>$ 242,026</td>
</tr>
</tbody>
</table>
## 10. AGENCY SUPPORT

The following member agencies were the beneficiaries of support contributions:

<table>
<thead>
<tr>
<th>Name of Recipient Agencies</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamilton - Madison House</td>
<td>$911</td>
<td>$76,541</td>
</tr>
<tr>
<td>CHHAYA Community Development</td>
<td>20,383</td>
<td>73,277</td>
</tr>
<tr>
<td>Asian Professional Extension</td>
<td>385</td>
<td>50,520</td>
</tr>
<tr>
<td>Asian Americans for Equality</td>
<td>5,624</td>
<td>45,686</td>
</tr>
<tr>
<td>South Asian Council for Social Services</td>
<td>241</td>
<td>40,202</td>
</tr>
<tr>
<td>Brooklyn Chinese-American Association</td>
<td>421</td>
<td>36,714</td>
</tr>
<tr>
<td>Korean Community Services of Metropolitan New York</td>
<td>2,349</td>
<td>35,573</td>
</tr>
<tr>
<td>Minkwon Center for Community Action</td>
<td>30,431</td>
<td>35,204</td>
</tr>
<tr>
<td>Indochina Sino-American Community Center</td>
<td>345</td>
<td>32,753</td>
</tr>
<tr>
<td>Research Foundation-CUNY (Hunter College SSW)</td>
<td>(6,200)</td>
<td>*32,000</td>
</tr>
<tr>
<td>Charles B. Wang Community Health Center</td>
<td>928</td>
<td>31,030</td>
</tr>
<tr>
<td>Filipino American Human Services, Inc.</td>
<td>911</td>
<td>30,908</td>
</tr>
<tr>
<td>Chinese-American Planning Council, Inc.</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>Council of People's Organization</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>Korean American Voters Council, Inc.</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>New York Coalition of Asian American Mental Health</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>Damayan Migrant Workers Assoc.</td>
<td>94</td>
<td>22,051</td>
</tr>
<tr>
<td>Korean American Family Service Center</td>
<td>15,925</td>
<td>21,094</td>
</tr>
<tr>
<td>Japanese American Social Services, Inc.</td>
<td>169</td>
<td>20,492</td>
</tr>
<tr>
<td>Children of China Pediatrics Foundation</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td>South Asian Americans Leading Together</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td>South Asian Youth Action</td>
<td>25,318</td>
<td>15,558</td>
</tr>
<tr>
<td>Japanese American Association of New York</td>
<td>-</td>
<td>15,000</td>
</tr>
<tr>
<td>Chinese Christian Herald Crusades</td>
<td>-</td>
<td>12,000</td>
</tr>
<tr>
<td>Sakhi for South Asian Women</td>
<td>697</td>
<td>10,968</td>
</tr>
<tr>
<td>New York Asian Women's Center</td>
<td>61,330</td>
<td>10,901</td>
</tr>
<tr>
<td>Asian &amp; Pacific Islander Coalition on HIV/AIDS, INC.</td>
<td>917</td>
<td>10,595</td>
</tr>
<tr>
<td>Coalition for Asian American Children &amp; Families</td>
<td>30,562</td>
<td>10,470</td>
</tr>
<tr>
<td>Asian Women's Christian Association</td>
<td>400</td>
<td>10,000</td>
</tr>
<tr>
<td>Cambodian Association of Greater Philadelphia</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>Chinese Christian Herald Crusades-Philadelphia</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>Pan American Concerned Citizen Action League, Inc.</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>Greater Chinatown Community Assn</td>
<td>19,827</td>
<td>5,484</td>
</tr>
<tr>
<td>YWCA of Queens</td>
<td>-</td>
<td>5,415</td>
</tr>
</tbody>
</table>

* Funds that was not spent during the prior year and was returned during this fiscal year
### 10. AGENCY SUPPORT (Cont’d)

<table>
<thead>
<tr>
<th>Name of Recipient Agencies</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden of Hope</td>
<td>$175</td>
<td>$5,115</td>
</tr>
<tr>
<td>Korean American Community Center of New York</td>
<td>66</td>
<td>5,051</td>
</tr>
<tr>
<td>Asian Youth Center of New York</td>
<td>72</td>
<td>5,051</td>
</tr>
<tr>
<td>Chinese American Women's Sisterhood Society of Philadelphia</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Chinese Club of West New York</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Family in Touch</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>FGS Korean Community Center</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>International Institute of Buffalo</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Korean Senior Citizens Association of Greater Philadelphia</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>National Federation of Filipino American Association (Region 1)</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Philippine American Friendship Committee</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>The New York Immigration Coalition</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Korean Family Counseling and Research Center</td>
<td>50</td>
<td>2,553</td>
</tr>
<tr>
<td>Chinese Progressive Association</td>
<td>133</td>
<td>2,552</td>
</tr>
<tr>
<td>Korean American League for Civic Action, Inc.</td>
<td>50</td>
<td>1,601</td>
</tr>
<tr>
<td>Asian American Legal Defense &amp; Education Fund</td>
<td>1,350</td>
<td>1,479</td>
</tr>
<tr>
<td>Chinatown YMCA</td>
<td>1,514</td>
<td>884</td>
</tr>
<tr>
<td>Chinatown Manpower Project</td>
<td>846</td>
<td>632</td>
</tr>
<tr>
<td>Korean American Senior Citizens Society</td>
<td>428</td>
<td>493</td>
</tr>
<tr>
<td>Immigrant Social Services, Inc.</td>
<td>842</td>
<td>460</td>
</tr>
<tr>
<td>Chinese Methodist Center Corp.</td>
<td>325</td>
<td>401</td>
</tr>
<tr>
<td>China Institute in America</td>
<td>368</td>
<td>307</td>
</tr>
<tr>
<td>Flushing YMCA</td>
<td>133</td>
<td>272</td>
</tr>
<tr>
<td>Lower East Side Family Union</td>
<td>268</td>
<td>228</td>
</tr>
<tr>
<td>Homecrest Community Services</td>
<td>135</td>
<td>167</td>
</tr>
<tr>
<td>Family Health Project, Inc.</td>
<td>94</td>
<td>59</td>
</tr>
<tr>
<td>South Asian Council for Social Services</td>
<td>15,000</td>
<td>-</td>
</tr>
<tr>
<td>NY de Volunteer</td>
<td>3,000</td>
<td>-</td>
</tr>
<tr>
<td>APICHA</td>
<td>350</td>
<td>-</td>
</tr>
<tr>
<td>Chinatown Health Clinic Foundation</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td>The Sikh Coalition, Inc</td>
<td>41</td>
<td>-</td>
</tr>
<tr>
<td>The YWCA of Queens</td>
<td>301</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total                                                              | $237,808 | $942,739 |
11. PERMANENTLY / TEMPORARILY RESTRICTED NET ASSETS

Since fiscal year 2007, the Federation has established an endowment fund consisting of the Community Fund and the AAFNY 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).

12. DESIGNATION OF TEMPORARILY RESTRICTED NET ASSETS

Pursuant to approval by the Board of Directors at the September 16, 2009 meeting, the $50,000 of Board Designated Funds was reallocated to Unrestricted Funds. This was approved in order to improve cash flow.

13. LEASE COMMITMENTS

The Federation currently has a fifteen-year operation lease agreement with the Wall Street Company for its office space located at 120 Wall Street, New York, which will expire on July 31, 2012 with an annual minimum rent as follows:


They have extended its lease agreement up to December 31, 2026 and the annual minimum rent are as follows:

- August 01, 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 amounted to $144,714. The scheduled rent increases over the lease term were amortized over the lease term on a straight-line basis.
14. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Federation to concentrations of credit risk consist principally of cash account in financial institutions, which from time to time, exceed the Federal depository insurance coverage limit. The Federation 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.

15. RETIREMENT PLAN

The Federation sponsors a 403 (b) pension plan for the benefit of its employees who have rendered at least one year of service. The Federation 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, 2011 and 2010 amounted to $12,811 and $15,031 respectively.

16. SUBSEQUENT EVENTS

No subsequent events of material nature came to our attention warranting adjustment or disclosure.

17. 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 & Chinatown TMCA) already got their 501 (c) (3) tax, exempt status. The Federation collected the donations and remitted them back to these agencies as follows:

<table>
<thead>
<tr>
<th>Name of Agencies</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>AsiaNextGen</td>
<td>$19,000</td>
<td>$21,010</td>
</tr>
<tr>
<td>CCRC</td>
<td></td>
<td>2,500</td>
</tr>
<tr>
<td>Kyopo</td>
<td>49,114</td>
<td>1,766</td>
</tr>
<tr>
<td>CACF</td>
<td>7,207</td>
<td>521</td>
</tr>
<tr>
<td>KAFSC</td>
<td>5,057</td>
<td>346</td>
</tr>
<tr>
<td>Chinatown YMCA</td>
<td>8,491</td>
<td>175</td>
</tr>
<tr>
<td>Civil Liberty Public Education Fund</td>
<td>2,687</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$91,556</strong></td>
<td><strong>$26,318</strong></td>
</tr>
</tbody>
</table>
18. LINE OF CREDIT

The Federation has an existing line of credit of $200,000 with TD Bank. The term is for 5 years commencing on November 9, 2006 and expiring on November 9, 2011. As of June 30, 2011, the total amount of drawdown for the line of credit was $0.