



ASSYRIAN AID SOCIETY of AMERICA
(A NON-PROFIT CORPORATION)

FINANCIAL STATEMENTS

(WITH INDEPENDENT AUDITOR'S REPORT)

AS OF
DECEMBER 31st 2011

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INDEPENDENT AUDITORS' REPORT

To,
The Board of Directors
Assyrian Aid Society of America

I have audited the accompanying statements of financial position of Assyrian Aid Society of America as of December 31, 2011 and the related statements of activities, functional expenses and cash flows for the year then ended. These statements are the responsibility of the management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assyrian Aid Society of America as of December 31, 2011, and the results of its operation and its cash flow for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Sunita Jagasia CPA
Kyrish Certified Public Accountants
San Jose, California



**ASSYRIAN AID SOCIETY OF AMERICA
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2011**

	<u>December 31, 2011</u>
ASSETS	
Cash and cash equivalents	\$ 61,803
Equipment, net of accumulated depreciation	<u>1,439</u>
TOTAL ASSETS	63,242
LIABILITIES	
Accounts Payable	1,327
NET ASSETS	
Unrestricted Net Assets	65,777
Temporarily Restricted	<u>(3,862)</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 63,242</u></u>

See accompanying notes and accountant's report

**ASSYRIAN AID SOCIETY OF AMERICA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
DIRECT PUBLIC SUPPORT:			
Arizona	\$ 1,081	-	\$ 1,081
Chicago	34,757	-	34,757
Michigan	2,927	-	2,927
Los Angeles	41,115	-	41,115
San Diego	779	-	779
Santa Clara Valley	4,525	-	4,525
	85,184	-	85,184
GRANTS AND CONTRIBUTIONS RECEIVED	25,615	-	25,615
Special Events	58,557	-	58,557
Lifeline Support	63,857	-	63,857
Textbooks	-	-	-
Refugee Relief	-	-	-
Interest Income	33	-	33
Miscellaneous Income	210	-	210
Net assets released from restrictions	41,862	(41,862)	-
Total Revenue and Other Support	275,318	(41,862)	233,456
EXPENSES			
Program Expenses			
Support to Assyrian Aid Society - Iraq	176,862	-	176,862
Other Assyrian Support	24,812	-	24,812
	201,674	-	201,674
Supporting Expenses			
Management & General	61,379	-	61,379
Fundraising	25,991	-	25,991
	87,370	-	87,370
Total Expenses	289,044	-	289,044
CHANGE IN NET ASSETS	(13,726)	(41,862)	(55,588)
NET ASSETS, beginning of year	79,503	38,000	117,503
NET ASSETS, end of year	\$ 65,777	\$ (3,862)	\$ 61,915

See accompanying notes and accountant's report

**ASSYRIAN AID SOCIETY OF AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>PROGRAM SERVICES</u>		<u>SUPPORT SERVICES</u>		Total Program & Support Services
	<u>Assyrian Aid Society - Iraq</u>	<u>Other Assyrian Support</u>	<u>Management & General</u>	<u>Fundraising</u>	
Cash Grants	\$ 135,000	\$ -	\$ -	\$ -	\$ 135,000
Refugee Relief	22,500	-	-	-	22,500
Textbooks	19,362	-	-	-	19,362
Assyrian Academic Society	-	24,037	-	-	24,037
Sculpture	-	775	-	-	775
Agha Petros Flag	-	-	-	2,394	2,394
Accounting and Professional fees	-	-	3,720	-	3,720
Salaries	-	-	28,050	7,012	35,062
Payroll taxes	-	-	8,958	2,239	11,197
Depreciation Expense	-	-	480	-	480
Printing and Reproduction	-	-	-	318	318
Postage and Delivery	-	-	-	3,620	3,620
Office Supplies	-	-	1,748	-	1,748
Telephone and Telecommunications	-	-	1,436	-	1,436
Other Office Expenses	-	-	4,042	-	4,042
Insurance - Liability D & O	-	-	2,652	-	2,652
Workers Compensation Insurance	-	-	538	-	538
Goodwill	-	-	1,000	-	1,000
Sales Tax	-	-	4,178	-	4,178
Board of Directors - Travel Expenses	-	-	4,577	-	4,577
Travel Expenses	-	-	-	3,208	3,208
Banquet	-	-	-	7,200	7,200
	<u>\$ 176,862</u>	<u>\$ 24,812</u>	<u>\$ 61,379</u>	<u>\$ 25,991</u>	<u>\$ 289,044</u>



**ASSYRIAN AID SOCIETY OF AMERICA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>December 31, 2011</u>
Cash Flows for Operating Activities	
Change in Net Assets	\$ (55,588)
Adjustments to reconcile net increase in net assets to net cash provided (Used in) operating activities:	
Depreciation	480
Accounts Payable	<u>(1,572)</u>
Net Cash used in operating activities	(56,680)
Increase/(Decrease) in cash and cash equivalents	(56,680)
Cash and cash equivalents at the beginning of the year	<u>118,483</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 61,803</u></u>

See accompanying notes and accountant's report



ASSYRIAN AID SOCIETY OF AMERICA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

NOTE 1 – NATURE OF THE ORGANIZATION

Description of The Organization - The Assyrian Aid Society of America (the Organization) was founded in San Francisco, California in November 1991 to assist Assyrian refugees in Iraq during the First Gulf War.

Working in collaboration with its sister organization, the Assyrian Aid Society-Iraq, the Organization over the past 20 years has, in addition to ongoing refugee relief, gone on to fund village reconstruction programs, irrigation and electrification projects, medical clinics and pharmacies, life-saving surgeries in the United States for Assyrians from the Middle East, agricultural projects, and education programs from pre-school through college.

Today the Organization's primary focus is on education in northern Iraq. Nearly 5000 students in 54 schools are being taught all subjects in Assyrian and using textbooks translated into Assyrian and published by the Assyrian Aid Society.

The Organization is a 501(c)(3) non-profit organization incorporated in the State of California with a 15-person Board of Directors and chapters in Chicago, Michigan, Nevada, Los Angeles, Central Valley, Arizona, San Diego, and Santa Clara. The national headquarters is located in Berkeley, California.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Risks And Uncertainties - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent 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 and would impact future results of operations and cash flows.

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting.

Functional Classification of Expenses - The costs of providing various program services have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated, principally on a direct costs basis, among the program and supporting services.



ASSYRIAN AID SOCIETY OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Financial Statement Presentation - The Organization has adopted Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations." Under this statement, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Organization considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

Categories of Net Assets - The net assets of the Organization are reported in the following categories:

Unrestricted net assets generally have no donor-imposed restrictions. This category includes those revenues and expenses associated with programs and supporting services. It also includes those net assets which have been designated by the Organization's Board of Directors as reserves or as funds functioning as endowment.

Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met and funds for which the ultimate purpose of the proceeds is not permanently restricted.

Permanently restricted net assets include gifts which require by donor-imposed restriction that the corpus be invested in perpetuity and only the income be made available for Organization operations in accordance with donor restrictions, if any. The Organization does not have any permanently restricted net assets as of December 31, 2011.



ASSYRIAN AID SOCIETY OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributed Support - The Organization recognizes all unconditional gifts and promises to give in the period notified. Contributed support is reported as unrestricted, temporarily or permanently restricted depending on the existence of donor stipulations that limit the use of the support.

In-kind Support - The Organization receives various types of in-kind support including professional services and tangible assets. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. Additionally, the Organization receives a significant amount of contributed time which does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

Donated Office Space - The Organization uses office space provided by the Chairman of the Board at no extra cost. The fair value of the rent-free use of the office space was \$ 4,800 for the year ended December 31, 2011.

Expiration of Donor- Imposed Restrictions - The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires, and at that time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization follows the policy of reporting donor-imposed restricted contributions whose restrictions are met in the same period as received as unrestricted support.

Long-lived assets acquired with gifts of cash restricted for those acquisitions are reported as unrestricted based on the Organization's policy of lifting restrictions on contributions of cash used for the acquisition of long-lived assets when the long-lived assets are acquired or construction commences.



ASSYRIAN AID SOCIETY OF AMERICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Tax Exempt Status - Assyrian Aid Society of America, is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and Section 2370 1 (d) of the California Revenue and Taxation Code.

NOTE 3 – ASSYRIAN AID SOCIETY OF AMERICA – IRAQ ACTIVITIES AND PROJECTS

The monthly non-designated grants from Assyrian Aid Society of America to Assyrian Aid Society of America-Iraq are intended to fully or partially fund the full range of routine Assyrian Aid Society of America-Iraq activities and projects. These activities and projects include but are not limited to:

- i. Support of pre-school day care centers
- ii. Salaries and other needs of the Assyrian primary and secondary schools
- iii. Maintaining student dormitories and computer labs
- iv. Stocking and running of pharmacies that provide medicines free or at-cost as well as some basic medical diagnostic services
- v. Repair, reconstruction, or new construction of some civic buildings such as community centers and churches
- vi. Repairing and building new irrigation systems and electric networks
- vii. Supporting youth sports organizations and social societies

The grants given to Assyrian Aid Society of America-Iraq to support the above activities were \$135,000 as of December 31st, 2011.

NOTE 4 - TEMPORARILY RESTRICTED PROJECTS

Temporarily restricted projects are restricted by donors. These amounts are released from donor restrictions by incurring expenses satisfying the restricted purposes.



ASSYRIAN AID SOCIETY OF AMERICA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2011

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NOTE 4 - TEMPORARILY RESTRICTED PROJECTS - CONTINUED

Refugee Relief Projects 2011: Due to sporadic but continued religious violence inside Iraq and due to the growing civil war in neighboring Syria, bursts of refugee migrations into northern Iraq required the Assyrian Aid Society to mount relief projects for hundreds of displaced Assyrian families in 2011. The scope of these relief efforts included but were not limited to distribution of food, heating oil, blankets, clothing, and personal hygiene necessities; providing temporary shelter in Assyrian Aid Society of America-Iraq student dormitories and/or assisting in locating more permanent lodging; and assisting the families in connecting with available government programs and services.

Text Books Conversion Project: This project involves translation of textbooks from Arabic to Assyrian for all grades from 1 through 12. It also includes computerization of the translation with the help of special translation software and computers. The project was completed in 2011 made possible with grants from the Assyrian Universal Association Foundation in Chicago, Illinois plus personal donations from the Executive Committee of the Assyrian Aid Society of America.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS AND NET ASSETS RELEASED FROM RESTRICTIONS

Temporarily restricted net assets are restricted by donors. These net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors, including passage of time. Temporarily restricted net assets received and released from restrictions are described below:

Purpose Restriction	2011
Refugee Relief	\$ 22,500
Text Books Conversion	19,362
TOTAL	\$ 41,862

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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NOTE 6 – SUBSEQUENT EVENTS

The civil war in neighboring Syria is threatening to grow and send even more refugees across its borders into Iraq. Many of the refugees are Assyrian Syrians and Iraqi Assyrians who had earlier fled Iraq for safety in Syria, are now looking to Assyrian Aid Society of America-Iraq for help.

United Nations Economic and Social Council in 2011 certified Assyrian Aid Society of America-Iraq as a non-governmental organization with Special Consultative Status. Assyrian Aid Society of America was invited to attend a United Nation conference in New York City, spring of 2012. Assyrian Aid Society of America plans to send Chairman of the Board to Washington, DC on a semi-routine basis to connect with members of Congress and federal government agencies such as United States Agency for International Development (USAID) that will provide more assistance to the needy Assyrians in Iraq.

The successful Mesopotamian Night series of cultural performances will continue in 2012 with new musical and dance offerings in San Jose, and thereafter will immediately begin work on its next event, scheduled for June 2013. The Mesopotamian Night project will be operating under a new structure approved by the Board that makes it an Assyrian Aid Society of America project independent of the local San Jose chapter, directed by Mesopotamian Night creator and Assyrian Aid Society of America Director Tony Khoshaba and with oversight by the Board's Executive Committee. It is possible that the 2012 Mesopotamian Night event might be taken "on the road" to Los Angeles and/or Chicago.

In addition to the Mesopotamian Nights project in San Jose, the Los Angeles chapter will be staging a promotion of Assyrian art, poetry, and culture at a series of related events, including an art gallery installation.