
**AMERICAN SOCIETY FOR MUSLIM
ADVANCEMENT**

Financial Statements

For the year ended June 30, 2009

AMERICAN SOCIETY FOR MUSLIM ADVANCEMENT

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Independent Auditors' Report

To the Board of Directors
American Society for Muslim Advancement
New York, New York

We have audited the accompanying statement of financial position of American Society for Muslim Advancement as of June 30, 2009 and the related statements of activities and changes in net assets and cash flows for year then ended. These financial statements are the responsibility of the American Society for Muslim Advancement'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 American Society for Muslim Advancement as of June 30, 2009 and the statement of activities 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.

N. Cheng & Co., P.C.

New York, New York
October 29, 2009.

AMERICAN SOCIETY FOR MUSLIM ADVANCEMENT
Statement of Financial Position
As of June 30, 2009

Assets

Cash and cash equivalents	\$ 597,357
Accounts receivable	122,000
Due from related parties - Note 3	52,516
Prepaid expenses	<u>98,331</u>

Total assets \$ 870,204

Liabilities and net assets

Liabilities

Accounts and accrued expenses payable \$ 133,797

Net assets

Unrestricted 222,733
Temporarily restricted - Note 5 513,674

Total net assets 736,407

Total liabilities and net assets \$ 870,204

See notes to financial statements.

AMERICAN SOCIETY FOR MUSLIM ADVANCEMENT
Statement of Activities and Change in Net Assets
For the year ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenue and support			
Grants and contributions	\$ 72,661	\$ 1,298,918	\$ 1,371,579
Interest income	7,599		7,599
Other	<u>3,016</u>		<u>3,016</u>
Total revenue	83,276	1,298,918	1,382,194
Net assets released from restrictions	<u>807,996</u>	(807,996)	
Total revenue and support	<u>891,272</u>	<u>490,922</u>	<u>1,382,194</u>
Expenses			
Program services			
Media & others	78,138		78,138
Muslim leaders of tomorrow	581,061		581,061
WISE	<u>178,527</u>		<u>178,527</u>
Total program services	<u>837,726</u>		<u>837,726</u>
Supporting services			
Management and general	162,814		162,814
Fund raising	<u>19,600</u>		<u>19,600</u>
Total supporting services	<u>182,414</u>		<u>182,414</u>
Total expenses	<u>1,020,140</u>		<u>1,020,140</u>
Change in net assets	(128,868)	490,922	362,054
Net assets at beginning of year	<u>351,601</u>	<u>22,752</u>	<u>374,353</u>
Net assets as of end of year	<u>\$ 222,733</u>	<u>\$ 513,674</u>	<u>\$ 736,407</u>

See notes to financial statements.

AMERICAN SOCIETY FOR MUSLIM ADVANCEMENT
Statement of Functional Expenses
For the year ended June 30, 2009

	Media & Other	Muslim leaders of tomorrow	WISE	Total	Management and general	Fund raising	Total	Total program and supporting services
Salaries	\$ 37,143	\$ 60,345	\$ 36,602	\$ 134,090	\$ 50,004		\$ 50,004	\$ 184,094
Fringe benefits	2,841	4,616	2,800	10,257	1,291		1,291	11,548
Total personnel	39,984	64,961	39,402	144,347	51,295		51,295	195,642
Other than personnel								
Contract services	16,012	39,708	46,613	102,333	10,792	\$ 19,455	30,247	132,580
Supplies	62	7,225	1,607	8,894	6,994		6,994	15,888
Telephone and communications	205	12,136	15,206	27,547	7,443		7,443	34,990
Postage and shipping		317	37	354	798	145	943	1,297
Printing and copying		1,813		1,813	222		222	2,035
Books, subscriptions and research	15		19	34	568		568	602
Facility and equipment			2,532	2,532	2,382		2,382	4,914
Occupancy	41		25	66	35,884		35,884	35,950
Equipment rental and maintenance					1,758		1,758	1,758
Travel and meetings	21,748	378,560	69,056	469,364	38,672		38,672	508,036
Other	71	3,298	230	3,599	6,006		6,006	9,605
	78,138	508,018	174,727	760,883	162,814	19,600	182,414	943,297
Grants, contributions & direct assistance		73,043	3,800	76,843				76,843
Total expenses	<u>\$ 78,138</u>	<u>\$ 581,061</u>	<u>\$ 178,527</u>	<u>\$ 837,726</u>	<u>\$ 162,814</u>	<u>\$ 19,600</u>	<u>\$ 182,414</u>	<u>\$ 1,020,140</u>

See notes to financial statements.

AMERICAN SOCIETY FOR MUSLIM ADVANCEMENT
Statement of Cash Flows
For the year ended June 30, 2009

Cash flows from operating activities

Change in net assets	<u>\$ 362,054</u>
Adjustments to reconcile change in net assets to net cash (used) by operating activities:	
Change in due from related parties	21,574
Change in accounts receivable	(111,307)
Change in prepaid expenses	(98,331)
Change in account and accrued expenses payable	<u>123,113</u>
Total adjustments	<u>(64,951)</u>
Net increase in cash	297,103
Cash balance at beginning of the year	<u>300,254</u>
Cash balance at the end of year	<u>\$ 597,357</u>

Supplementary information

Cash paid for:

Interest	<u>\$ 59</u>
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AMERICAN SOCIETY FOR MUSLIM ADVANCEMENT
Notes to Financial Statements
June 30, 2009

Note 1 Organization

The American Society for Muslim Advancement (“ASMA”) is a non-profit intermediary organization established in 1997 and dedicated to reshaping the discourse about Islam. Throughout the global Muslim community, AMSA supports religious, academic, institutional, and grassroots leaders who are committed to establishing and promoting the religious legitimacy for an ethical and egalitarian Islam. AMSA collaborates with these leaders and with activists from every faith in creating programs, products, and services that provide critically needed resources for advocated, reporters, scholars, religious authorities, artists, and philanthropists. ASMA focuses particularly on Muslim women and young leaders as essential catalysts for change.

Note 2 Significant accounting policies

Accounting basis. The accompanying financial statements are prepared on the accrual basis of accounting.

Support. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Gifts of goods and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, ASMA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Net assets. Net assets are classified as follows: Unrestricted - this class includes net assets from unrestricted contributions and from other resources not subject to donor-imposed restrictions.

Temporarily restricted - this class includes net assets from restricted contributions (temporary restrictions) whose donor-imposed restrictions have not been met due to actions of ASMA and/or the passage of time.

AMERICAN SOCIETY FOR MUSLIM ADVANCEMENT

Notes to Financial Statements

June 30, 2009

Note 2 Significant accounting policies - (continued)

Cash and cash equivalents. For the purpose of the accompanying statements, investments with a maturity date of three months or less are considered cash equivalent.

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 reported amounts of assets and liabilities and disclosure 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.

New accounting pronouncement. Statement of Financial Standards No. 157, Fair Value Measurements (SFAS 157) defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosure about fair value measurements. Fair value is defined under SFAS 157 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The adoption of this statement did not have a material impact on ASMA's statements of activities or financial position.

In fiscal year 2010, ASMA will adopt Financial Accounting Standards Board Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – and interpretation of FASB Statement No. 109" (FIN 48). Due to ASMA's general tax exempt status, FIN48 is not expected to have a material effect on its financial statements.

Credit risk. ASMA maintains its cash accounts with banks located in New York and New Jersey. The total cash balances are insured by FDIC up to \$250,000 per bank. At June 30, 2009, ASMA has cash balances on deposit with one bank account that exceeded the amount insured by FDIC under the current threshold by \$320,203.

Functional allocation of expenses. The costs of providing the various programs and 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.

Note 3 Related parties

Cordoba was formed as non-profit in Aspen, Colorado in 2004 and secured its incorporation status as a 501(c)(3) in New York in April 2009. The corporation was established for the purpose of improving Muslim and Western relations. ASMA is acting as a fiscal agent and is developing Cordoba's ability to function independently. Although Cordoba is a separate

AMERICAN SOCIETY FOR MUSLIM ADVANCEMENT

Notes to Financial Statements

June 30, 2009

Note 3 Related parties – (continued)

corporation, it will continue to work with ASMA as a sister organization sharing the same infrastructure, space, utilities, vendor services and co-sponsorship of programs to remain fiscally lean and keep operational costs low for both

Muslim Women’s Fund (“MWF”) was initiated at the WISE conference of 2006. ASMA is also acting as fiscal agent and is also developing its ability to operate independently while the corporation secures its 501(c)(3) status and registration in New York for which the target completion date is December 2009.

Note 4 Temporarily restricted net assets

Temporarily restricted net assets are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Releases from restriction</u>	<u>Ending balance</u>
Time restricted				
Program restricted:				
UNFPA		\$ 53,664		\$ 53,664
MDG3 Fund		481,942	\$ 166,684	315,258
Hunt Alternatives Fund		15,000	15,000	-
Carnegie Corporation of N.Y.	\$ 22,752	122,000		144,752
The Rockefeller Brothers Fund		50,000	50,000	-
Qatar government fund		576,312	576,312	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 22,752</u>	<u>\$ 1,298,918</u>	<u>\$ 807,996</u>	<u>\$ 513,674</u>

Note 5 Rental of space

ASMA entered into a one year lease agreement on October 17, 2008 for the office space at 475 Riverside Drive in New York City for the period of December 2008 through November of 2009.

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October 29, 2009

To the Board of Directors
American Society for Muslim Advancement
New York, New York

The financial statements of American Society for Muslim Advancement, namely, the statement of financial position as of June 30, 2009 and the related statements of activities and cash flows for the year then ended and our Independent Auditors' Report thereon, are included in the preceding section of this report.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The expenditure report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material aspects in relation to the basic financial statements taken as a whole.

N. Cheng & Co., P.C.

New York, New York

AMERICAN SOCIETY FOR MUSLIM ADVANCEMENT
Expenditure report for the period October 13, 2008 to June 30, 2009

Schedule I

	Budget for	Expenditures for the period		Variance
	the period	10/13/08 to 06/30/09		
	10/13/08 - 06/30/11	10/13/08 - 06/30/09	Cumulative to 06/30/09	
	In Euros	In USD	In Euros	In Euros
Personnel				
<u>Permanent</u>				
WISE program director (80% x \$75,000)	133,141	36,602	46,924	86,217
WISE program associate (75% x \$40,000)	73,244	26,627	34,136	39,108
Subtotal permanent	206,385	63,229	81,060	125,325
Fringe benefits	45,165	2,800	3,590	41,575
Total permanent	251,550	66,029	84,650	166,900
<u>Temporary</u>				
Evaluation consultants	35,100	5,000	6,410	28,690
WISE Portal technical consultants	93,604	21,986	28,186	65,418
Partner organizations (capacity building & training)	105,304	3,800	4,872	100,432
Financial audit and legal counsel	28,080	8,000	10,256	17,824
Insurance fees				
Subtotal temporary	262,088	38,786	49,724	212,364
Total personnel	513,638	104,815	134,374	379,264
Other than personnel				
Steering committee meeting	7,027	145	186	6,841
Annual WISE convening:				
Airfare: Convenings (average \$1,000/participant)	327,614	67,434	86,450	241,164
Ground travel: convenings	35,100	25	32	35,068
Travel: staff and in-country partners/collaborators	35,101	1,476	1,892	33,209
Printing: convenings	35,100			35,100
Utilities and telecommunications	11,700	206	264	11,436
Resource materials	9,360	249	319	9,041
Office supplies and postage	9,360	1,645	2,109	7,251
Equipment and maintenance	16,000	2,532	3,246	12,754
Total non-personnel	486,362	73,712	94,498	391,864
Total budget for the period 10/13/08 to 06/30/11	1,000,000	178,527	228,872	771,128

Note: 1 Euro = \$1.282