

American Polish Assistance Association

Financial Statements and Notes
(Unaudited)

Eleven Months Ending November 30, 2011

and

Annual Voting Proxy

American Polish Assistance Association, Inc.
Notes to Financial Statements
Eleven Months Ending November 30, 2011
(Unaudited)

IMPORTANT

Note 1: The account values and balances represented herein are the result of work taken on by members of the APAA Board of Directors and Associates interested in supporting the organization. The accounting work continues for the calendar years of 2010-11; currently, account balances for 2010 stand incomplete and unresolved. We believe the balances provided herein, present fairly, the current financial condition of the organization as of November 30, 2011.

Note 2: Accounting deficiencies exist and are being addressed by the Board of Directors. The Board is preparing to seek stronger governance for the organization in order to attain 501.c(3) status under the Internal Revenue Service Code. It is the understanding of the Board of Directors that a minimum of 2 years of financial operating history is needed in order to submit the 501.c(3) application. At present, the APAA is not able to provide that documentation.

In the past, the APAA has not provided financial statements of stewardship for its many members that have supported the organization. We wish to amend that practice and turn the APAA into a more transparent organization; as would be expected by members of other Not-for-Profit charitable entities.

Note 3: Future Business Practice will require the Board to adopt more systematic accounting procedures to facilitate improved business decision making with respect to use of working capital, charitable donations and inventory.

Note 4: We expect that with the increased economic hardships being experienced by our benefactors, a new set of directives are necessary and shall be implemented with the goal of obtaining the 501.c(3) status. Acquiring this status will allow benefactors to be able to write-off their contributions to the APAA as a charitable tax deduction.

At present, this is not possible, and limits the amounts of money benefactors would contribute due to the economic penalty of the APAA not having 501.c(3) status, preventing a reduction in their personal income tax. We believe that 501.c(3) status is both a realistic goal and attainable for the APAA. We project that we will have obtained all approvals not later than July 30, 2012.

Note 5: The financial statements herein represent a general ledger set of accounts which have been created to provide the necessary framework for developing a complete set of account balances to report the financial condition of the APAA for the calendar year 2011. Please note that the capital letter "E" is placed adjacent to account values (estimated) where further investigation will be required to arrive at a more accurate number. Transaction balances that are not resolved have been placed in what is called a Suspense Account, the primary reason for values being grouped into "Suspense" is due to insufficient document paper trails.

American Polish Assistance Association, Inc.
Compiled Balance Sheet ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾
Ending November 30, 2011
(Unaudited)

Assets

Current Assets		
110	Checking	11,471.08
111	Savings	2,624.20
120	Accounts Receivable	0.00
125	Furniture & Fixture	525.00 E
130	Office Equipment	375.00 E
140	Inventory	<u>5,200.00 E</u>
Total Assets		<u><u>20,195.28</u></u>

Liabilities

Current Liabilities		
201	Accounts Payable	10,995.13
210	Outstanding Property Lease	475.00
220	Sales, Use and Withholding Tax	<u>400.00 E</u>
Total Liabilities		<u><u>11,870.13</u></u>

Charitable Members Equity

310	Retained Earnings	0.00 E
315	Goodwill	10,995.13
320	Profit (Loss)	(2,970.55)
399	Suspense	<u>6,000.00</u>
Total Equity		<u><u>14,024.58</u></u>
Total Liabilities and Charitable Members Equity		<u><u><u>20,195.28</u></u></u>

American Polish Assistance Association, Inc.
 Compiled Income Statement ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾
 Eleven Months Ending November 30, 2011
 (Unaudited)

Revenues

410	Monetary Donations & Dues	11,256.00
420	Sales - Store, Charitable Affairs, Holy Thursday Pilgrimage	2,769.89
480	Interest - Bank	1.07
490	Suspense	<u>3,894.61</u>
	Total Revenues	<u><u>17,921.57</u></u>

Expenditures

501	Office Supplies	105.78
502	Printing	505.94
510	Rent	5,700.00
512	Phone	644.66
513	Insurance	308.00
515	Postage	515.00
516	Parcel Shipment - Domestic and Abroad	1,321.80
517	Overseas Container Shipment	4,892.00
520	Board and Officer Compensation	0.00
540	Cost of Inventory Sold	4,277.28 E
550	Taxes	824.46
560	Advertizing	48.80
562	Bank and Wire Fees	20.00
564	Association Memberships	140.00
566	Transportation	236.40
568	Licenses	20.00
570	Catering	1,332.00
599	Sundry	<u>0.00</u>
	Total Expenditures	<u><u>20,892.12</u></u>
	Income (Loss)	(2,970.55) E

December 3, 2011

Dear Members of the American Polish Assistance Association:

The Board of Directors submit this financial compilation and the accompanying notes for your thoughtful review and consideration. You are being asked to vote for on a number of issues and for either the installation of officers and or trustees.

Your vote is important and will direct the future decisions of the APAA board and business plan. We asked that you read each of the voting matters as directed on the APAA Annual Meeting Proxy and submit your vote either in person at the Annual Meeting being held December 10, 2011 at 9:30 AM, the location is the East Detroit Historic School House on the south side of 9 Mile Rd., just west of Gratiot Ave.

If you are not able to attend the meeting personally, we request that you make every effort to mail or fax the proxy to the APAA office, by mail to 23801 Gratiot Ave., Eastpointe, Michigan 48021 or by fax to 586-498-

We ask for your continued trust and financial support. Please consider donating one Saturday during 2012 to help with packing clothing for shipment to an orphanage in Poland or Eastern Europe. The APAA is asking for just four (4) hours of your time, for one day. It will really help a lot and you will have fun, too. There are over 350 orphanages in Poland alone, surely this is not that much to ask.

Once the 501.c(3) status is obtained, the APAA will be able to apply for government and charitable foundation grants. This will bolster our ability to service the orphanages and the children still in need of assistance.

The Proxy is on page 6, the back-side of this page. Please remove this sheet when you are ready to cast your vote.

Sincerely and on behalf of the APAA Board of Directors,

Leonard Motyca
Vice-President and Board Member

American Polish Assistance Association
Membership Voting Proxy
December 10, 2011

Instructions: Please read all the voting matter first, then place the letter "X" in the appropriate box for each line item to be voted upon. Remove this sheet from the staple and, if you will not be attending the APAA Annual Meeting, please send it to: American Polish Assistance Association (APAA), 23801 Gratiot Ave, Eastpointe, Michigan 48021. We would ask that the vote proxies be received no later than Saturday January 7, 2012.

Matter 1: The election of officer for the current office of President and Chairperson Board of Directors.

_____ FOR AGAINST ABSTAIN
Nomination Write-In Candidate

Matter 2: The election of officer for the current office of Treasurer and Board of Directors

_____ FOR AGAINST ABSTAIN
Nomination Write-In Candidate

Matter 3: The election of officer for the current office of Secretary and Board of Directors

_____ FOR AGAINST ABSTAIN
Nomination Write-In Candidate

Matter 4: The election of officer for the current position of Vice-President and Board Member

_____ FOR AGAINST ABSTAIN
Nomination Write-In Candidate

Matter 5: The election of Board Member

_____ FOR AGAINST ABSTAIN
Nomination Write-In Candidate

Matter 6: The election of Board Member

_____ FOR AGAINST ABSTAIN
Nomination Write-In Candidate

Matter 7: To raise the Membership Due Fee to Ten (\$10) Dollars payable by January 24, 2012.

FOR AGAINST ABSTAIN

Matter 8: To allow Board Members to open a search for any officer position not filled as a result of this proxy.

FOR AGAINST ABSTAIN

Please sign your name and date:

_____ APAA Member

_____ Date