

ARAB STUDENT AID INTERNATIONAL

FINANCIAL STATEMENTS

December 31, 2024



## Table of Contents

	Pages
Independent Accountants' Report	1
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis	2
Statement of Receipts, Expenses, and Other Changes In Net Assets – Modified Cash Basis	3
Notes to the Financial Statements	4-5



**ARAB STUDENT AID INTERNATIONAL**

Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis  
December 31, 2024

	<u>2024</u>
<b><u>Assets</u></b>	
Cash	\$ 224,965
Funds on Deposit with Kuwait Agency	146,769
Investments	6,249,297
Property, Plant, and Equipment	28,330
Accumulated Depreciation	<u>(18,121)</u>
Total Assets	<u><u>6,631,240</u></u>
<b><u>Net Assets</u></b>	
Total Net Assets	<u><u>\$ 6,631,240</u></u>

See Accompanying Notes to the Financial Statements.

**ARAB STUDENT AID INTERNATIONAL**

Statement of Receipts, Expenses, and Other Changes In Net Assets - Modified Cash Basis  
For the year ended December 31, 2024

	<u>2024</u>
Operating Revenue	
Contributions	\$ 39,484
Scholarship Reimbursements	152,304
Total Operating Revenue	<u>191,788</u>
 Investment Income	 1,987,894
 Total Revenues	 <u>2,179,682</u>
 Expenses	
Personnel and Benefits	123,893
Scholarships	73,734
Grants	533,093
Rent	15,864
Supplies	10,191
Utilities and Telephone	2,428
Bank Service Charges	42,637
Professional Fees	89,725
Travel	7,481
Other Expenses	9,738
	<u>908,784</u>
 Total Expenses	 <u>908,784</u>
 Change In Net Assets	 1,270,898
 Net Assets, Beginning of the Year	 5,360,342
 Net Assets, End of the Year	 <u>\$ 6,631,240</u>

See Accompanying Notes to the Financial Statements.

## **ARAB STUDENT AID INTERNATIONAL**

Notes to the Financial Statements  
December 31, 2024

### **Note 1 – Nature of the Organization**

Arab Student Aid International (ASAI) was organized in 1976 by a group of Arab and American academicians and businessmen. ASAI is a nonprofit, nonpolitical, non-religious organization whose purpose is to provide financial assistance to qualified students from the Arab States in order to pursue degrees in higher education.

### **Note 2 - Summary of Significant Accounting Policies and Description of Key Accounts**

#### **Basis of Presentation**

The financial statements are presented on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The significant ways in which the modified cash basis differs from GAAP:

1. Investment revenue included interest, dividend and capital gains (\$31,953) as well as unrealized gains or loss (unrealized gains \$1,955,941).
2. Contributed services are not recognized as revenue or expense in the financial statements.
3. Expenditures/expenses are recognized on a cash basis.
4. Loans made to students are recognized as expense and repayments are recognized as reimbursements.
5. ASAI does not follow Accounting Standards Codification (ASC) 958, which requires nonprofit entities to show its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. All net assets are shown as unrestricted.
6. No statement of cash flows is prepared as required by GAAP.
7. GAAP requires a disclosure which explains in detail the methodology used to value securities included in the financial statements. The detailed disclosure has been omitted since the securities are valued using the fair market values listed on the brokers' statements.
8. No Statement of Functional Expenses as required by GAAP.
9. GAAP requires all leases greater than one year to follow ASC 842 which requires certain disclosure requirements surrounding those leases.

The effect of the above differences has not been calculated but is presumed to be material.

#### **Use of Estimates**

The process of preparing financial statements in conformity with the modified cash basis of accounting requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses.

#### **Tax Status**

ASAI is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

## **ARAB STUDENT AID INTERNATIONAL**

Notes to the Financial Statements  
December 31, 2024

### **Note 2 – Summary of Significant Accounting Policies and Description of Key Accounts (Continued)**

#### **Loans to Students**

It is the Organization's policy regarding its loans to eligible students that the collection terms are based upon each student's financial position. The goal is to permit the student to repay the loans without causing undue financial stress. The Organization recognizes that most of the students are living and working in countries less developed and with limited employment opportunities. These factors make it very difficult to value outstanding receivables, which makes it challenging to meet the main principals of accrual GAAP based accounting.

#### **Investments**

Investments are presented on the statement of assets, liabilities, and net assets at their estimated fair value, not cost. All investment related activity is reported as Investment Income on the statement of receipts, expenses, and other changes in net assets – modified cash basis and include unrealized holding gains and losses as well as realized gains and losses on sales.

### **Note 3 – Operating Leases**

ASAI leases its office space. The lease expires December 31, 2024 and calls for monthly payments of \$1,200.

### **Note 4 - Concentration of Business Risk**

During the fiscal year ended December 31, 2024, ASAI's cash account was insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Though ASAI may occasionally go over these limits, the cash balance was fully insured under FDIC at December 31, 2024.

ASAI's contributors are located primarily in the Arab States. In addition, the repayments of loans is coming primarily for students from Arab States. During 2024 repayments received from students represented 84% of operating revenue as defined by contributions and scholarship reimbursements.

### **Note 5 – Funds on Deposit**

The organization receives grant funds from an organization in Kuwait for scholarships/grants for students from the Middle East. As of December 31, 2024, the balance held by the agent was \$146,769.

### **Note 6 – Subsequent Events**

Subsequent events were evaluated through November 18, 2025, which is the date financial statements were available to be issued.