TURKISH PHILANTHROPIC FUND

FINANCIAL STATEMENTS

JUNE 30, 2008

Kelly, Lee & Company L.L.C.
A Certified Public Accounting Firm

- ~ : Kelly, CPA
- ~ ~ E. Lee, CPA

Member Fir
American Institute of Certified P
New Jersey Society of Certified P

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Turkish Philanthropic Fund
1036 Park Ave, Suite 15A
New York, NY 10028

We have audited the accompanying statements of financial position of Turkish Philanthropic Fund (a Delaware not-for-profit corporation) as of June 30, 2008 and the related statement of activities, cash flows, and statement of functional expenses for the year then ended. These financial statements are the responsibility of the Fund s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 June 30, 2008 financial statements referred to above present fairly, in a material respects, the financial position of Turkish Philanthropic Fund as of June 30, 2008 and the changes in its net assets, its cash flows, and its statements of functional expenses for the year then ended, are in conformity with accounting principles generally accepted in the United States of America.

KELLY, LEE & COMPANY, LLC
Monroe Twp., New Jersey
January 9, 2009

104 Interchange Plaza, Suite 104 • Monroe Twp., NJ 08831 (609) 395-8100 • FAX (609) 395-9179

TURKISH PHILANTHROPIC FUND
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2008

ASSETS

	2008
Asset:	
Cash and cash equivalents	$ 1,458,154
TOTAL ASSETS	$ 1,458,154

LIABILITIES AND NET ASSETS

Liabilities:	
Accrued expenses	$ 5,000
Grants payable	20,000
Total Liabilities	25,000
Net Assets:	
Unrestricted	1,433,154
Total Net Assets	1,433,154
TOTAL LIABILITIES AND NET ASSETS	$ 1,438,154

See auditors' report and accompanying notes to financial statements

TURKISH PHILANTHROPIC FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Total 2008
Revenue, losses, and other support:			
Donations & grants	$ 1,572,081	$ -	$ 1,572,081
Interest and dividend income	6,781	-	6,781
Net assets released from temporarily restrictions	-	-	-
Total revenue and other support	1,578,862	-	1,578,862
Expenses:			
Program services	91,000	-	91,000
			-
Supporting services			-
General & administrative	53,532	-	53,532
Fundraising activities	1,176	-	1,176
Total expenses	145,708	-	145,708
Changes in net assets	1,433,154	-	1,433,154
Net assets, beginning	-	-	-
Net assets, ending	$ 1,433,154	$ -	$ 1,433,154

See auditors' report and accompanying notes to financial statements

TURKISH PHILANTHROPIC FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

	2008
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in net assets	$ 1,433,154
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:	
Changes in Assets and Liabilities:	
(Decrease) increase in Accrued Expenses	5,000
(Decrease) increase in Grants Payable	20,000
Total Adjustments	25,000
Net Cash Provided (Used) by Operating Activities	1,458,154
CASH FLOWS FROM INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,458,154
CASH AND CASH EQUIVALENTS, Beginning of year	-
CASH AND CASH EQUIVALENTS, End of year	$ 1,458,154

See auditors' report and accompanying notes to financial statements

TURKISH PHILANTHROPIC FUND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

	Program Services	Supporting Services		
	Foundation Activities	Management and General	Fundraising Activities	Total 2008
Grants	$ 91,000	$ -	$ -	$ 91,000
Administration and overhead	-	32,600	-	32,600
Professional fees	-	10,413	-	10,413
Events & meetings Insurance	-	5,864	1,176	7,040
Travel	-	3,111	-	3,111
Insurance	-	1,198	-	1,198
Miscellaneous	-	346	-	346
	$ 91,000	$ 53,532	$ 1,176	$ 145,708

See auditors' report and accompanying notes to financial statements

1) NATURE OF ORGANIZATION AND TAX STATUS

Turkish Philanthropic Fund (the Fund) is a not-for-profit charitable organization incorporated on February 1, 2007 in the State of Delaware. The Fund was established for the purpose of enabling individuals, corporations, trusts and other entities, to make charitable contributions for the philanthropic support of programs and/or organizations in Turkey and in the United States.

The Fund has received a letter of determination from the Internal Revenue Service stating that it is exempt from Federal income taxes under Section 501c (3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. METHOD OF ACCOUNTING

The financial statements of the Fund have been prepared utilizing the accrual basis of accounting.

Not-for-Profit Organizations report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions and support received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

b. CONTRIBUTIONS

The organization accounts for donations in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Contributions consist of outright cash gifts received by the organization during the fiscal year and unconditional promises to give (over current and future years) made throughout the year. Unconditional promises to give are recorded at the time of the pledge.

c. CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Corporation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses re included in the change in net assets.

e. PROPERTY AND EQUIPMENT

The cost of property and equipment is depreciated on both the straight-line and accelerated methods over the estimated useful lives of the assets. When property or equipment is sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is reflected in earnings. Expenditures for maintenance, repairs and improvements which do not materially extend the useful lives of the assets are charged to expenses.

f. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and supporting services have been summarized on a functional basis in the Combining Statements of Functional Expenses. Accordingly, certain costs have been allocated between the programs and supporting services.

g. 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) CONCENTRATION OF CREDIT RISK

The Fund maintains bank accounts at one institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The amounts in excess of FDIC limits at June 30, 2008 were $1,208,154.