



# Asylum Access

## Financial Statements

**For the years ended  
June 30, 2021 and 2020**

With Independent Auditors' Report Thereon

# Asylum Access

(A California Not-for-Profit Corporation)

## CONTENTS

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements:</b>	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 20

**Asylum Access**  
344 Thomas L Berkley Way  
Oakland, California 94612  
(510) 891-8700  
Web Site Address: [www.asylumaccess.org](http://www.asylumaccess.org)

Index



CERTIFIED PUBLIC ACCOUNTANTS  
103 TOWN & COUNTRY DRIVE, SUITE K, DANVILLE, CALIFORNIA 94526  
DOUGLAS REGALIA, CPA  
LISA PARKER, CPA [inactive]  
JEANNINE REGALIA, CPA  
LISA CLOVEN, CPA  
JENNY SO, CPA  
JENNIFER JENSEN  
WEB: WWW.MRCPA.COM

DANA CHAVARRIA, CPA  
TRICIA WILSON  
VALERIE REGALIA, CPA  
WENDY THOMAS, CPA  
SUSAN REGALIA, CPA  
RACHEL BERGER, CPA  
OFFICE: 925.314.0390

## INDEPENDENT AUDITORS' REPORT

### The Board of Directors Asylum Access

We have audited the accompanying financial statements of Asylum Access (a California nonprofit organization) which comprise the statements of financial position as of June 30, 2021 and 2020 and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asylum Access as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Regalia & Associates*

Danville, California  
November 7, 2021

## Asylum Access

### Statements of Financial Position June 30, 2021 and 2020

#### Assets

	2021	2020
Current assets:		
Cash and cash equivalents	\$ 7,729,151	\$ 3,644,098
Accounts, grants and pledges receivables, current portion	2,796,476	1,054,132
Prepaid expenses	241,212	13,562
Total current assets:	<u>10,766,839</u>	<u>4,711,792</u>
Noncurrent assets:		
Property and equipment, net of accumulated depreciation	1,774	2,041
Accounts, grants and pledges receivables, net of discount	6,167,484	45,060
Deposits	10,402	8,331
Total noncurrent assets	<u>6,179,660</u>	<u>55,432</u>
Total assets	<u>\$ 16,946,499</u>	<u>\$ 4,767,224</u>

#### Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 30,192	\$ 36,136
Accrued payroll liabilities	207,203	153,293
Refundable advances	254,235	602,331
Total current liabilities	<u>491,630</u>	<u>791,760</u>
Net assets:		
Without donor restrictions:		
Undesignated	1,462,549	1,503,360
Board designated for operating reserve	975,221	600,132
Cumulative translation adjustment	14,888	25,593
With donor restrictions	14,002,211	1,846,379
Total net assets	<u>16,454,869</u>	<u>3,975,464</u>
Total liabilities and net assets	<u>\$ 16,946,499</u>	<u>\$ 4,767,224</u>

## Asylum Access

### Statements of Activities and Changes in Net Assets For the Years Ended June 30, 2021 and 2020

	June 30, 2021			June 30, 2020		
	Net Assets			Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Government grants	\$ 541,886	\$ -	\$ 541,886	\$ 548,500	\$ -	\$ 548,500
Contributions	935,741	10,257,649	11,193,390	2,166,201	1,516,672	3,682,873
Foundation and corporate grants	565,619	3,508,106	4,073,725	68,805	996,514	1,065,319
Interest and dividends	196	-	196	286	-	286
Other income	328	-	328	164	-	164
Net assets released from restrictions	1,609,923	(1,609,923)	-	1,207,159	(1,207,159)	-
Total revenue and support	3,653,693	12,155,832	15,809,525	3,991,115	1,306,027	5,297,142
Expenses:						
Programs	2,522,392	-	2,522,392	2,080,526	-	2,080,526
Management and general	501,433	-	501,433	327,480	-	327,480
Fundraising	295,590	-	295,590	301,477	-	301,477
Total expenses	3,319,415	-	3,319,415	2,709,483	-	2,709,483
Increase in net assets	334,278	12,155,832	12,490,110	1,281,632	1,306,027	2,587,659
Net assets at beginning of year	2,129,085	1,846,379	3,975,464	827,451	540,352	1,367,803
Cumulative translation adjustments	(10,705)	-	(10,705)	20,002	-	20,002
Net assets at end of year	\$ 2,452,658	\$ 14,002,211	\$ 16,454,869	\$ 2,129,085	\$ 1,846,379	\$3,975,464

## Asylum Access

### Statements of Cash Flows For the Years Ended June 30, 2021 and 2020

	2021	2020
<i>Cash flows from operating activities:</i>		
Increase in net assets	\$ 12,479,405	\$ 2,607,661
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	904	793
Changes in:		
Accounts, grants and pledges receivables	(7,864,768)	(535,849)
Prepaid expenses	(227,650)	(8,809)
Deposits	(2,071)	1,410
Accounts payable and accrued liabilities	(5,944)	2,536
Accrued payroll liabilities	53,910	15,364
Refundable advances	(445,096)	446,430
Net cash provided by operating activities	3,988,690	2,529,536
<i>Cash flows from investing activities:</i>		
Acquisition of property and equipment	(637)	-
Net cash used for investing activities	(637)	-
<i>Cash flows from financing activities:</i>		
Proceeds from SBA PPP loans	97,000	67,000
Net cash provided by financing activities	97,000	67,000
Increase in cash and cash equivalents	4,085,053	2,596,536
Cash and cash equivalents at beginning of year	3,644,098	1,047,562
Cash and cash equivalents at end of year	\$ 7,729,151	\$ 3,644,098
<i>Supplemental Disclosures:</i>		
Interest expense	\$ -	\$ -
State registration taxes paid	\$ 150	\$ 150

## Asylum Access

### Statement of Functional Expenses For the Year Ended June 30, 2021

	Program Services							Supporting Services			Totals
	Individual- ized Legal Assistance	National Policy Advocacy	Global Advocacy	National Strategic Litigation	Asylum Access Global Services	Community Legal Empower- ment	RRLI	Total Programs	Manage- ment and General	Fundraising	
<u>Compensation</u>											
Salaries and wages	\$ 747,102	\$ 120,665	\$ 201,432	\$ 51,475	\$ 150,899	\$ 227,529	\$ 39,189	\$1,538,291	\$ 289,235	\$ 196,751	<b>\$2,024,277</b>
Payroll taxes	123,057	7,531	14,590	3,973	10,781	10,499	2,800	173,231	38,313	14,233	<b>225,777</b>
Benefits	59,990	5,694	11,687	3,174	10,122	8,607	2,629	101,903	21,683	12,982	<b>136,568</b>
Total compensation	<b>930,149</b>	<b>133,890</b>	<b>227,709</b>	<b>58,622</b>	<b>171,802</b>	<b>246,635</b>	<b>44,618</b>	<b>1,813,425</b>	<b>349,231</b>	<b>223,966</b>	<b>2,386,622</b>
Accounting services	2,560	971	147	275	19	1,943	5	5,920	36,780	155	<b>42,855</b>
Advertising and promotion	78	36	3	1	-	67	-	185	10	2	<b>197</b>
Bank fees	882	542	2,218	366	1,063	777	276	6,124	264	2,447	<b>8,835</b>
Conferences/conventions/meetings	9,714	2,945	63	5,417	27	14,161	7	32,334	789	87	<b>33,210</b>
Corporate fees	4,464	2,175	189	55	-	3,998	-	10,881	611	144	<b>11,636</b>
Currency conversion/other expenses	(77)	(27)	(11)	(23)	-	(30)	-	(168)	5,575	16,864	<b>22,271</b>
Depreciation	264	97	11	25	-	232	-	629	257	18	<b>904</b>
Dues, licenses, services fees	173	139	6,983	104	353	193	92	8,037	352	446	<b>8,835</b>
Equipment and furnishings	17,678	3,867	760	635	466	7,349	121	30,876	4,599	766	<b>36,241</b>
Equipment rental and maintenance	3,733	885	512	550	307	1,233	80	7,300	946	472	<b>8,718</b>
Grants	29,969	-	-	-	-	-	-	29,969	-	-	<b>29,969</b>
Information technology	812	478	1,225	365	1,071	649	278	4,878	4,653	1,361	<b>10,892</b>
Insurance	1,866	1,364	3,701	1,025	3,261	1,890	847	13,954	3,730	4,133	<b>21,817</b>
Interpreters and other contractors	82,859	16,668	80,664	8,205	102,406	76,221	10,277	377,300	69,622	37,601	<b>484,523</b>
Legal fees	1,580	257	29	89	-	860	-	2,815	857	47	<b>3,719</b>
Occupancy	51,763	17,319	4,863	9,316	1,346	26,080	349	111,036	17,342	3,600	<b>131,978</b>
Postage and shipping	1,975	170	225	131	396	239	43	3,179	270	477	<b>3,926</b>
Printing and copying	878	589	934	106	241	1,285	63	4,096	425	1,361	<b>5,882</b>
Staff development	3,567	1,556	1,036	605	754	2,549	196	10,263	1,720	1,075	<b>13,058</b>
Supplies	7,777	796	163	295	39	1,665	10	10,745	499	119	<b>11,363</b>
Telephone	5,937	804	155	376	10	2,178	3	9,463	1,037	114	<b>10,614</b>
Travel	19,314	1,074	1,001	786	1,232	5,685	59	29,151	1,864	335	<b>31,350</b>
Total expenses	<b>\$1,177,915</b>	<b>\$ 186,595</b>	<b>\$ 332,580</b>	<b>\$ 87,326</b>	<b>\$ 284,793</b>	<b>\$ 395,859</b>	<b>\$ 57,324</b>	<b>\$2,522,392</b>	<b>\$ 501,433</b>	<b>\$ 295,590</b>	<b>\$3,319,415</b>

## Asylum Access

### Statement of Functional Expenses For the Year Ended June 30, 2020

	Program Services						Supporting Services			Totals
	Individual- ized Legal Assistance	National Policy Advocacy	Global Advocacy	National Strategic Litigation	Asylum Access Global Services	Community Legal Empower- ment	Total Programs	Manage- ment and General	Fundraising	
<u>Compensation</u>										
Salaries and wages	\$ 608,550	\$ 94,016	\$ 82,059	\$ 11,736	\$ 241,283	\$ 186,310	\$1,223,954	\$ 167,973	\$ 201,456	\$1,593,383
Payroll taxes	93,448	5,418	5,893	780	17,348	9,490	132,377	17,917	14,598	164,892
Benefits	45,947	5,069	5,668	684	20,362	7,266	84,996	14,120	13,881	112,997
Total compensation	747,945	104,503	93,620	13,200	278,993	203,066	1,441,327	200,010	229,935	1,871,272
Accounting services	8,150	1,107	139	912	167	3,206	13,681	33,264	308	47,253
Advertising and promotion	41	22	10	2	29	40	144	17	23	184
Bank fees	879	525	477	123	1,539	542	4,085	764	1,770	6,619
Conferences/conventions/meetings	12,964	3,026	998	145	3,818	10,888	31,839	1,489	2,776	36,104
Corporate fees	4,465	1,681	155	83	26	4,399	10,809	788	108	11,705
Currency conversion/other expenses	415	559	398	71	1,216	959	3,618	19,931	21,019	44,568
Depreciation	332	95	12	13	-	226	678	87	28	793
Due, licenses, services fees	33	14	5,001	1	-	37	5,086	7	-	5,093
Equipment and furnishings	16,324	986	444	1,534	2,003	3,974	25,265	1,247	582	27,094
Equipment rental and maintenance	5,785	639	181	135	444	4,907	12,091	720	392	13,203
Grants	1,972	-	-	-	-	-	1,972	-	-	1,972
Information technology	1,725	673	633	263	2,065	696	6,055	953	1,625	8,633
Insurance	1,733	1,481	1,502	229	4,892	2,569	12,406	2,019	3,833	18,258
Interpreters and other contractors	94,326	17,823	9,864	3,025	27,015	48,491	200,544	45,601	18,917	265,062
Legal services	2,067	405	431	50	1,648	566	5,167	738	928	6,833
Occupancy	64,394	10,118	3,815	9,318	11,149	25,169	123,963	12,320	9,602	145,885
Postage and shipping	1,617	131	132	16	430	103	2,429	177	338	2,944
Printing and copying	2,371	330	821	64	1,273	2,190	7,049	451	520	8,020
Staff development	14,589	1,079	327	186	811	4,374	21,366	1,036	725	23,127
Supplies	13,088	763	79	796	411	2,367	17,504	910	163	18,577
Telephone	4,901	461	65	259	938	1,698	8,322	453	147	8,922
Travel	50,599	6,062	14,350	660	30,544	22,911	125,126	4,498	7,738	137,362
Total expenses	\$1,050,715	\$ 152,483	\$ 133,454	\$ 31,085	\$ 369,411	\$ 343,378	\$2,080,526	\$ 327,480	\$ 301,477	\$2,709,483

See Independent Auditors' Report and Notes to Financial Statements

Page 6



## Notes to Financial Statements June 30, 2021 and 2020

### 1. Organization

Asylum Access (a California tax-exempt, non-profit corporation) believes all refugees deserve a fair chance at a new life. Through their legal empowerment, policy change and global systems change programs, Asylum Access advocates for a world where refugees everywhere can live safely, move freely, work, send children to school and contribute to their communities.

Asylum Access has national operations in Mexico, Malaysia and Thailand, and partners with local non-governmental organizations throughout Africa, Asia, Latin America and the Middle East. Asylum Access's work has impacted more than one million refugees worldwide. For more information, visit: [www.asylumaccess.org](http://www.asylumaccess.org).

### 2. Summary of Significant Accounting Policies

**Basis of Accounting** – The financial statements of Asylum Access have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (“US GAAP”).

**Measure of Operations** – The statements of activities and changes in net assets reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Company's ongoing operations which include a variety of programmatic activities. Nonoperating activities are limited to resources that generate return from interest-bearing deposits and other activities considered to be of a more unusual or nonrecurring nature.

**Cash and Cash Equivalents** – Asylum Access' cash consists of cash on deposit with banks. Cash equivalents represent savings, cash deposits and money market accounts with maturity dates of three months or less from the date of purchase.

**Concentrations of Credit Risk** – Financial instruments that potentially subject Asylum Access to concentrations of credit risk consist principally of cash and cash equivalents and deposits. The Company maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Company manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy.

To date, Asylum Access has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and grants receivable considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable organizations and foundations supportive of the Company's mission.

**Receivables and Credit Policies** – Asylum Access determined that no allowance for doubtful uncollectible accounts receivable is needed based on historical experience, an assessment of economic conditions, and a review of subsequent collections. It is the policy of the organization to periodically assess receivables to determine proper carrying value.

**Notes to Financial Statements  
June 30, 2021 and 2020**

**2. Summary of Significant Accounting Policies** *(continued)*

**Accounts, Grants and Pledges Receivable** – Asylum Access records grants and pledges receivable, which are expected to be collected within one year at net realizable value. When material, grants and pledges receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue on the statement of activities. The allowance for uncollectible receivables is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectible.

**Fair Value Measurements** – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions.

The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Asylum Access groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1

Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2

Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3

Unobservable inputs that cannot be corroborated by observable market data.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing model of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

**Notes to Financial Statements  
June 30, 2021 and 2020**

**2. Summary of Significant Accounting Policies** *(continued)*

**Property and Equipment** - Property and equipment purchased by Asylum Access are stated at cost or, if donated, at estimated fair value as of the date of the gift. The costs of additions and major improvements are capitalized, while maintenance and repairs are charged to expense as incurred. Property and equipment are depreciated over the estimated useful lives of the assets (between 3 and 35 years) utilizing the straight-line method.

**Income Taxes** – Asylum Access is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Company has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Company has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Asylum Access has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that the organization continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status.

**Net Assets** - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Thus, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent funds which are available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has the ability to designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment, and it has opted to do so as reflected on the statements of financial position.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent funds which are subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions can be perpetual in nature, where the donor stipulates that those resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**2. Summary of Significant Accounting Policies** *(continued)*

**Revenue and Revenue Recognition** – Revenue is recognized in accordance with authoritative guidance, including *ASU 2018-08, Not-for-Profit Entities (Topic 605)* and *ASU No. 2014-09, Revenue from contracts with Customers (Topic 606)*.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. A transfer of funds with a conditional promise to contribute is accounted for as a refundable advance until the conditions have been substantially met. Certain payments received include both elements of contributed income and earned income (such as special events), and management evaluates such transactions to determine the proper revenue rules to apply and to bifurcate the revenue components. When applicable, revenue earned under a contractual arrangement (an “exchange transaction”) is recognized when earned and therefore measured as services are provided in accordance with Topic 606.

Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

A portion of Asylum Access’ revenue is derived from foundation grants which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, with limited discretion over spending decisions and right of return of any unused funds. Amounts received are recognized as revenue when Asylum Access has incurred expenditures in compliance with specific grant provisions.

Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. Asylum Access has received conditional grants amounting to \$654,823 that have not been recognized at June 30, 2021, because qualifying expenditures have not yet been incurred, with advance payments of \$254,235 recognized as a refundable advance on the statement of financial position.

Asylum Access has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of financial reporting.

**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**2. Summary of Significant Accounting Policies** (*continued*)

**Donated Services and In-Kind Contributions** – Contributed services and costs are reflected at the fair value of the contribution received. The contributions of services and costs are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying statement of activities and statements of functional expenses.

**Functional Allocation of Expenses** - The costs of providing program and other activities have been summarized on a functional basis in the statements of activities in accordance with the requirements of *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*, which requires Asylum Access to report expenses by their natural classification. Every natural expense must be broken out into individual functional categories on an analysis of expenses by their nature and function. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis. A majority of expenses (salaries, wages, and payroll taxes, professional services) have been allocated based on time and effort using Asylum Access' payroll allocations. Other common expenses which benefit all areas have been allocated in accordance with specific services received from vendors and/or other equitable and measurable methods.

**Reclassifications** – Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**Comparative Financial Information** - The Asylum Access financial statements include certain prior-year summarized comparative information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2020, from which the summarized information was derived.

**Contributions Made** - Asylum Access recognizes grants as expenses at the time recipients are entitled to receive them. Generally, this occurs when the board of directors approves a specific grant, or when management, pursuant to grant-authorization policies established by the board of directors, approves a grant. Unconditional grants approved but not yet disbursed are reported as grants payable in the statement of financial position. Conditional grants approved but contingent upon fulfillment of certain specified conditions by the grantee are not recorded until the conditions have been met. Revocable grants are recorded when grants are distributed to the grantee.

**Recent and Relevant Accounting Pronouncements** – The following pronouncements represent relevant current accounting guidance applicable to nonprofit organizations:

### Notes to Financial Statements June 30, 2021 and 2020

#### 2. Summary of Significant Accounting Policies *(continued)*

In August 2016, the FASB issued *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Asylum Access has adjusted the presentation of these statements accordingly.

In February 2016, the FASB issued *ASU 2016-02, Leases (Topic 842) Accounting for Leases*, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by *ASU No. 2018-01, ASU No. 2018-10, and ASU No. 2018-11*. This standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statements of financial position for all leases with a term longer than 12 months. Leases are required to be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statements of activities and changes in net assets.

In August 2014, the FASB issued *ASU 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires an organization's management to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). As of October 15, 2021 (the date of the Independent Auditors' Report), management has made this evaluation and has determined that Asylum Access has the ability to continue as a going concern.

In May 2014, the FASB completed its Revenue Recognition project by issuing *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*. This guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The guidance (1) Removes inconsistencies and weaknesses in existing revenue requirements, (2) Provides a more robust framework for addressing revenue issues, (3) Improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, (4) Provides more useful information to users of financial statements through improved disclosure requirements, and (5) Simplifies the preparation of financial statements by reducing the number of requirements to which an organization must refer.

In June 2018, the FASB issued *ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this update to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Accordingly, Asylum Access has incorporated these clarifying standards within the audited financial statements.

**Notes to Financial Statements  
June 30, 2021 and 2020**

**2. Summary of Significant Accounting Policies** *(continued)*

In November 2016, the FASB issued *ASU 2016-18, Restricted Cash*. This guidance requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. When cash, cash equivalents, restricted cash and restricted cash equivalents are presented in more than one line item on the statements of financial position, the new guidance requires a reconciliation of the totals in the statement of cash flows to the related captions in the statements of financial position.

On September 17, 2020, the FASB issued *ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This Update increases transparency around contributed nonfinancial assets (also known as “gifts-in-kind”) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update requires that an organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires that an organization disclose:

1. A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets.
2. For each category of contributed nonfinancial assets recognized:
  - Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a description of the programs or other activities in which those assets were used
  - The organization’s policy (if any) about monetizing rather than utilizing contributed nonfinancial assets
  - A description of any donor-imposed restrictions associated with the contributed nonfinancial assets
  - A description of the valuation techniques and inputs used to arrive at a fair value measure in accordance with the requirements in *Topic 820, Fair Value Measurement*, at initial recognition.
  - The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

**3. Cash and Cash Equivalents**

Cash and cash equivalents include all funds in banks (checking and savings) at the time of purchase which have a maturity date of three months or less. The components of cash and cash equivalents are as follows at June 30:

	<b>2021</b>	<b>2020</b>
Checking accounts-domestic operations (noninterest-bearing)	<b>\$ 6,223,689</b>	\$ 2,796,960
Checking accounts-foreign operations (noninterest-bearing)	<b>372,044</b>	166,159
Business market savings (interest-bearing)	<b>1,085,243</b>	655,673
Petty cash and others (noninterest-bearing)	<b>48,175</b>	25,306
Total cash and cash equivalents	<b>\$ 7,729,151</b>	\$ 3,644,098

## Asylum Access

### Notes to Financial Statements June 30, 2021 and 2020

#### 3. Cash and Cash Equivalents *(continued)*

Funds on deposit in business market savings account bear interest at the rate of 0.01% and 0.02% per annum at June 30, 2021 and 2020, respectively. At certain times during the year, domestic deposits may exceed federally insurance limits. Asylum Access attempts to minimize its credit risk associated with cash equivalents in the United States by utilizing highly rated financial institutions.

#### 4. Accounts, Grants and Pledges Receivables

Grants and pledges receivable are expected to be collected as follows at June 30:

	2021	2020
Less than one year	\$ 2,796,476	\$ 1,054,132
One to five years	6,352,476	45,060
Subtotal	9,148,952	1,099,192
Less: Unamortized discount	(184,992)	-
Subtotal	8,963,960	1,099,192
Total amounts due within one year	(2,796,476)	(1,054,132)
Total grants and pledges receivable long-term (net)	<u>\$ 6,167,484</u>	<u>\$ 45,060</u>

Asylum Access uses the direct write-off method with regards to grants and pledges receivable which are deemed to be uncollectible. There were no bad debt write-offs involving grants and pledges receivable for the years ended June 30, 2021 and 2020. Management has evaluated the grants and pledges receivable as of June 30, 2021 and determined that such amounts are fully collectible based on the financial strength of the donors involved.

#### 5. Property and Equipment

Property and equipment consist of the following at June 30:

	2021	2020
Equipment	\$ 5,527	\$ 6,546
Renovation	-	2,302
Total property and equipment	5,527	8,848
Less accumulated depreciation	(3,753)	(6,807)
Property and equipment (net)	<u>\$ 1,774</u>	<u>\$ 2,041</u>

Total depreciation expense amounted to \$904 and \$793 for the years ended June 30, 2021 and 2020, respectively, and is reflected on the statements of functional expenses. During the year ended June 30, 2021, Asylum Access disposed of fully depreciated property and equipment in the amount of \$3,958. There were no disposals for the year ended June 30, 2020.



## Asylum Access

### Notes to Financial Statements June 30, 2021 and 2020

#### 6. Fair Value Measurements

Composition of assets utilizing fair value measurements at June 30, 2021 is as follows:

	<b>Totals</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Accounts receivable	\$ 1,097	\$ -	\$ 1,097	\$ -
Pledges receivable	75,000	-	75,000	-
Grants receivable	8,887,863	-	8,887,863	-
Totals	<u>\$ 8,963,960</u>	<u>\$ -</u>	<u>\$ 8,963,960</u>	<u>\$ -</u>

Composition of assets utilizing fair value measurements at June 30, 2020 is as follows:

	<b>Totals</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Accounts receivable	\$ 3,266	\$ -	\$ 3,266	\$ -
Pledges receivable	20,000	-	20,000	-
Grants receivable	1,075,926	-	1,075,926	-
Totals	<u>\$ 1,099,192</u>	<u>\$ -</u>	<u>\$ 1,099,192</u>	<u>\$ -</u>

Fair value measurements establish a fair value hierarchy that prioritizes the input used to measure fair value. This hierarchy consists of three broad levels: (a) Level 1 measurement reflects the value of the investments at quoted prices in active markets for identical assets, generally without any adjustments, (b) Level 2 assets and liabilities are valued based on "observable inputs" other than quoted active market prices, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and interest rates and yield curves, and (c) Level 3 assets and liabilities are valued based on "unobservable inputs," such as a company's own estimates and pricing models. Asylum Access had no assets classified as Level 1 and Level 3 at June 30, 2021 and 2020.

#### 7. IKEA Donation and Expenses

A schedule of activity for the IKEA donation to Asylum Access is summarized as follows for the years ended June 30:

	<b>2021</b>	<b>2020</b>
Grant awards released from restrictions	<u>\$ 427,230</u>	<u>\$ 50,439</u>
Expenses:		
Operating costs	<b>115,562</b>	4,220
Personnel	<b>308,171</b>	38,680
Rent	<b>2,492</b>	6,235
Travel and meetings	<b>1,005</b>	1,304
Total expenses	<u>427,230</u>	<u>50,439</u>
Net	<u>\$ -</u>	<u>\$ -</u>

## Asylum Access

### Notes to Financial Statements June 30, 2021 and 2020

#### 8. Liquidity

Asylum Access regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the safeguarding of its available funds. Asylum Access has various sources of liquidity at its disposal, including cash and equivalents, receivables, and other sources (including the future collection of grants and contributions receivable).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Asylum Access considers all expenditures related to its ongoing activities in support of community initiatives to be general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 7,729,151	\$ 3,644,098
Accounts receivable	1,097	3,266
Pledges receivable	75,000	20,000
Grants receivable - current	2,796,476	1,075,926
Total financial assets	<u>10,601,724</u>	<u>4,743,290</u>
Less: amounts not available to be used within one year:		
Net assets with donor restrictions for programs	<u>(7,637,202)</u>	<u>(696,379)</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 2,964,522</u>	<u>\$ 4,046,911</u>

Asylum Access receives a substantial amount of support by way of restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, Asylum Access must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year.

As part of the Company's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

#### 9. Compensated Absences (Accrued Payroll and Related Benefits)

Financial statement presentation follows the recommendations of *ASC 710.25, Compensated Absences*. Under ASC 710.25, Asylum Access is required to record a liability for the estimated amounts of compensation for future absences. Employees are permitted to accrue a specific number of hours of vacation which is payable upon termination of the employee. Annual leave accruals are recorded in the financial statements as an accrued liability based on hourly rates in effect at the end of the fiscal year. Accrued vacation amounted to \$114,015 and \$87,741 at June 30, 2021 and 2020, respectively. Other accrued payroll liabilities amounted to \$93,188 and \$65,552 at June 30, 2021 and 2020, respectively.

## Asylum Access

### Notes to Financial Statements June 30, 2021 and 2020

#### 10. Net Assets

##### Net Assets Without Donor Restrictions

Net assets without donor restrictions of \$2,452,658 and \$2,129,085 at June 30, 2021 and 2020, respectively, represent the cumulative operating surpluses of Asylum Access since its inception. In a previous fiscal year, the Board of Directors established a Board-designated operating reserve to set aside funds for future programmatic activities. As of June 30, 2021 and 2020, the balance amounted to \$975,221 and \$600,132, respectively. Asylum Access also incurred cumulative translation adjustments which are segregated within net assets without donor restrictions and are summarized as follows for the years ending June 30:

	2021	2020
Beginning balance - cumulative translation adjustment	\$ 25,594	\$ 5,591
Translation adjustment	(10,706)	20,003
Ending balance - cumulative translation adjustment	\$ 14,888	\$ 25,594

In accordance with *FASB Statement 52, Foreign Currency Translation*, the economic effects of an exchange rate change on an operation which is relatively self-contained and integrated within a foreign country relate to the net investment in that operation. Additionally, translation adjustments which arise from consolidating a foreign operation do not impact cash flows and are not included in net income. Accordingly, the cumulative translation adjustment is shown as a separate component of net assets without donor restrictions (as summarized above).

##### Net Assets with Donor Restrictions

Asylum Access recognizes support from net assets with donor restrictions when the restrictions imposed by the donors have been satisfied or expired. Net assets restricted by donor for time and purpose are summarized as follows at June 30:

<b>Restricted For:</b>	2021	2020
Global Services	\$ 346,565	\$ 254,625
RRLI	11,986,608	-
Growth Campaign	-	20,000
Hospitality Route Program	57,704	101,780
Malaysian	33,221	127,276
Mexico	85,084	45,007
Southeast Asia	46,039	131,684
Thailand	-	16,007
Time restricted	1,631,982	1,150,000
Discount on future receivables	(184,992)	-
Totals	\$ 14,002,211	\$ 1,846,379

During the years ended June 30, 2021 and 2020, Asylum Access received donor restricted contributions of \$13,765,755 and \$2,513,186, respectively. Net assets released from restrictions amounted to \$1,609,923 and \$1,207,159 during the years ended June 30, 2021 and 2020, respectively.

## Asylum Access

### Notes to Financial Statements June 30, 2021 and 2020

#### 11. Government Contracts and Concentration Vulnerability

Asylum Access has historically engaged with the United States Department of State to provide programs enhancing human rights in Africa, Asia, and Latin America. The value of these secured Department of State government contracts amounted to \$452,492 and \$548,500 for the years ended June 30, 2021 and 2020, respectively. The percentage of total revenue and support from these contracts represented 3.4% and 13.7% for the years ended June 30, 2021 and 2020. Management has determined that the amounts received under the contracts have become less significant. Additionally, Asylum Access believes it will continue to receive funding from such contracts into the foreseeable future.

#### 12. Lease Commitments

Asylum Access is obligated under separate lease agreements for multiple office locations throughout the world including Oakland, California (the location of the organization's headquarters), Malaysia, Mexico, and Thailand (its field offices).

As of June 30, 2021, the headquarters lease in Oakland is under a month-to-month operating lease agreement which requires a monthly remittance of \$350.

Office leases for the field offices in foreign locations require monthly remittances ranging from \$62 to \$2,037 (amounts are estimated based on local monetary units and conversion factors).

As of June 30, 2021, minimum annual payments on all operating leases for the next five years under written contractual agreements are as follows: **Amounts due during year ending June 30, 2022: \$63,597** and **Year ending June 30, 2023: \$13,955**. Total occupancy expense (including rent, utilities, and janitorial services) amounted to \$131,978 and \$145,885 for the years ended June 30, 2021 and 2020, respectively.

#### 13. Refundable Advances

Refundable advances at June 30, 2021 and 2020 represent funds received in advance from conditional promises to give towards Asylum Access' programs. Such amounts have been recorded as short-term liabilities on the statements of financial position. When the conditions have been satisfied, these advances will be transferred to contributed support on the statement of activities and changes in net assets. Total refundable advances are summarized as follows at June 30:

	<b>2021</b>		<b>2020</b>
UNHCR Mexico	\$ 156,903	\$	41,175
Stanford University	-		7,500
IKEA Foundation	332		427,561
Stichting Benevolentia - AAM	-		59,095
Paycheck Protection Plan	97,000		67,000
Total refundable advances	<b>\$ 254,235</b>	\$	<b>602,331</b>

### Notes to Financial Statements June 30, 2021 and 2020

#### 14. Refundable Advances in Connection with Loans Payable to SBA Under Paycheck Protection Program

During May 2020, Asylum Access received \$67,000 in a forgivable loan under the Small Business Administration Paycheck Protection Program (“PPP”). Congress established the PPP to provide relief to small businesses during the coronavirus pandemic as part of the \$2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 116-136. This legislation authorized the United States Treasury Department to use the SBA’s 7(1) small business lending program to fund loans of up to \$10 million per borrower that qualifying entities can spend to cover payroll, interest, rent and utilities.

Asylum Access expended the funds and utilized the proceeds for payroll, operating overhead, and other eligible costs in accordance with its agreement with the SBA. Asylum Access applied for loan forgiveness and received lender approval during December 2020, at which time the forgiven loan was removed and recorded as government contributed income in accordance with *ASU 2018-08*.

During February 2021, Asylum Access applied for and received a second PPP loan in the amount of \$97,000. The organization expended the funds (and continues to utilize the proceeds) for payroll, operating overhead, and other eligible costs in accordance with its agreement with the SBA. Management fully anticipates that it will satisfy the PPP’s eligibility and loan forgiveness criteria, enabling the funds to be reclassified from a liability to contributed income.

Based on the guidance in *FASB ASC 405-20-40-1, Liabilities*, the proceeds from the loan would remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the debtor has been “legally released” or (2) the debtor pays off the loan to the creditor. Once the loan is, in part or wholly, forgiven and legal release is received, the organization is instructed to reduce the liability by the amount forgiven and record the forgiven loan as income. On September 27, 2021, Asylum Access received formal approval for loan forgiveness from the SBA.

#### 15. Commitments and Contingencies

In the normal course of business Asylum Access could be subject to certain commitments and contingencies which might not be fully reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) Grant restrictions and donor conditions which obligate Asylum Access to fulfill certain requirements as set forth in grant instruments, (b) Funding levels which vary based on factors beyond Asylum Access’ control, such as generosity of donors and general economic conditions, (c) Employment and service agreements with key management personnel, and (d) Financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments, contingencies and risks will not have a material adverse effect on the financial statements.

## Asylum Access

### Notes to Financial Statements June 30, 2021 and 2020

#### 16. COVID-19

Although the COVID-19 threat has abated, the worldwide threat continues to (a) impact financial markets, (b) threaten revenue streams, and (c) impact private enterprises with which Asylum Access conducts business. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, continues to present challenges. Management monitors and evaluates its options. These financial statements do not contain any adjustments related to economic losses which may or may not be realized.

#### 17. Subsequent Events

In compliance with *ASC 855, Subsequent Events*, Asylum Access has evaluated subsequent events through November 7, 2021, the date the financial statements were available to be issued.

As disclosed in Note 14, Asylum Access received formal approval from the SBA for loan forgiveness for its second PPP loan in the amount of \$97,000.

Asylum Access entered into various agreements to provide grant funds to various organizations starting July 1, 2021. Based on grant agreements, funds are expected to be paid during the fiscal years ending June 30:

	2022	2023	2024	2025	2026
Young African Refugees for Integral Development	\$ 459,264	\$ 385,184	\$ 385,184	\$ 385,184	\$ 385,184
Refugees & Asylum seekers Information Centre	475,800	315,750	300,950	211,250	196,250
Saint Andrew's Refugee Services	281,909	348,811	398,961	475,796	494,523
Refugiados Unidos	120,000	160,000	170,000	180,000	195,000
Basmeh and Zeitooneh	235,620	521,972	573,507	542,927	125,974
Total	<u>\$ 1,572,593</u>	<u>\$ 1,731,717</u>	<u>\$ 1,828,602</u>	<u>\$ 1,795,157</u>	<u>\$ 1,396,931</u>

In the opinion of management, there are no other subsequent events which are required to be disclosed.