

CONSOLIDATED FINANCIAL STATEMENTS

ASYLUM ACCESS

ASYLUM ACCESS MEXICO

ASYLUM ACCESS BERHAD

**FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2021**

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ASYLUM ACCESS BERHAD**

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Asylum Access
Oakland, California

Opinion

We have audited the accompanying consolidated financial statements of Asylum Access, which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Asylum Access as of June 30, 2022, and the consolidated change in its net assets, functional expenses and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Asylum Access and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Asylum Access' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Asylum Access' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Asylum Access' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from Asylum Access' 2021 financial statements, which were audited by other auditors and, in their report dated November 7, 2021, they expressed an unmodified opinion on those statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022, on our consideration of Asylum Access' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Asylum Access' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Asylum Access' internal control over financial reporting and compliance.



December 16, 2022

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ASYLUM ACCESS BERHAD**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

ASSETS		<u>2022</u>	<u>2021</u>
CURRENT ASSETS			
Cash and cash equivalents		\$ 9,328,022	\$ 7,729,151
Contributions and grants receivable		3,295,666	2,795,378
Other receivables		2,585	123
Prepaid expenses		<u>73,428</u>	<u>241,212</u>
Total current assets		<u>12,699,701</u>	<u>10,765,864</u>
FIXED ASSETS			
Equipment		7,702	5,067
Furniture		<u>1,908</u>	<u>460</u>
		9,610	5,527
Less: Accumulated depreciation and amortization		<u>(5,266)</u>	<u>(3,753)</u>
Net fixed assets		<u>4,344</u>	<u>1,774</u>
NONCURRENT ASSETS			
Deposits		12,315	10,402
Contributions and grants receivable, net of current portion and present value discount		<u>3,883,495</u>	<u>6,167,484</u>
Total noncurrent assets		<u>3,895,810</u>	<u>6,177,886</u>
TOTAL ASSETS		<u>\$ 16,599,855</u>	<u>\$ 16,945,524</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 103,291	\$ 29,218
Accrued salaries and related benefits		330,035	207,203
Refundable advances		<u>-</u>	<u>254,234</u>
Total liabilities		<u>433,326</u>	<u>490,655</u>
NET ASSETS			
Without donor restrictions:			
Undesignated		2,762,585	1,477,437
Board designated		<u>1,140,811</u>	<u>975,221</u>
Total without donor restrictions		<u>3,903,396</u>	<u>2,452,658</u>
With donor restrictions		<u>12,263,133</u>	<u>14,002,211</u>
Total net assets		<u>16,166,529</u>	<u>16,454,869</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 16,599,855</u>	<u>\$ 16,945,524</u>

See accompanying notes to consolidated financial statements.

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**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions and grants	\$ 3,192,841	\$ 2,131,539	\$ 5,324,380	\$ 15,255,839
U.S. Government grants	1,693,176	-	1,693,176	541,886
Interest income	5,808	-	5,808	196
Other revenue	694	-	694	571
Net assets released from donor restrictions	<u>3,870,617</u>	<u>(3,870,617)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>8,763,136</u>	<u>(1,739,078)</u>	<u>7,024,058</u>	<u>15,798,492</u>
EXPENSES				
Program Services	<u>6,332,275</u>	<u>-</u>	<u>6,332,275</u>	<u>2,522,392</u>
Supporting Services:				
Management and General	656,363	-	656,363	501,105
Fundraising	<u>323,760</u>	<u>-</u>	<u>323,760</u>	<u>295,590</u>
Total supporting services	<u>980,123</u>	<u>-</u>	<u>980,123</u>	<u>796,695</u>
Total expenses	<u>7,312,398</u>	<u>-</u>	<u>7,312,398</u>	<u>3,319,087</u>
Change in net assets	1,450,738	(1,739,078)	(288,340)	12,479,405
Net assets at beginning of year	<u>2,452,658</u>	<u>14,002,211</u>	<u>16,454,869</u>	<u>3,975,464</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,903,396</u>	<u>\$ 12,263,133</u>	<u>\$ 16,166,529</u>	<u>\$ 16,454,869</u>

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ASYLUM MALAYSIA**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022							2021				
	Program Services					Supporting Services						
	Global Systems Change: General	Global Systems Change: RRLI	Malaysia	Mexico: General	Mexico: Hospitality Route	Thailand	Total Program Services	Administration	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries and related expenses	\$ 366,794	\$ 442,408	\$ 312,128	\$ 1,002,622	\$ 175,209	\$ 375,386	\$ 2,674,547	\$ 477,977	\$ 267,719	\$ 745,696	\$ 3,420,243	\$ 2,386,623
Awards and grants	-	1,829,233	-	724,287	-	219	2,553,739	-	-	-	2,553,739	7,517
Contract services	60,968	119,081	148,822	67,788	10,219	101,723	508,601	114,286	19,478	133,764	642,365	497,508
Travel and meetings	11,212	24,866	22,431	65,592	5,624	49,786	179,511	3,403	10,799	14,202	193,713	64,560
Operations and business expenses	9,795	10,089	12,340	79,521	5,739	16,632	134,116	39,165	13,475	52,640	186,756	116,028
Occupancy	3,333	1,298	10,397	90,496	8,684	20,332	134,540	5,607	1,393	7,000	141,540	127,372
Other	17,366	15,713	13,201	6,814	6,010	38,120	97,224	9,959	6,837	16,796	114,020	96,686
Facilities and equipment	146	62	3,102	42,271	2,862	373	48,816	898	538	1,436	50,252	13,958
Bank fees	-	-	-	581	38	562	1,181	5,068	3,521	8,589	9,770	8,835
TOTAL	\$ 469,614	\$ 2,442,750	\$ 522,421	\$ 2,079,972	\$ 214,385	\$ 603,133	\$ 6,332,275	\$ 656,363	\$ 323,760	\$ 980,123	\$ 7,312,398	\$ 3,319,087

See accompanying notes to consolidated financial statements

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (288,340)	\$ 12,479,405
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,662	904
Change in discount on noncurrent receivables	(68,487)	184,992
PPP conditional advance recognized as revenue	(97,000)	-
Decrease (increase) in:		
Contributions and grants receivable	1,852,188	(8,049,097)
Other receivables	(2,462)	(123)
Prepaid expenses	167,784	(227,650)
Deposits	(1,913)	(2,071)
Increase (decrease) in:		
Accounts payable and accrued liabilities	74,064	(6,484)
Accrued salaries and related benefits	122,832	53,910
Refundable advances	(157,234)	(348,096)
Net cash provided by operating activities	<u>1,603,094</u>	<u>4,085,690</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	<u>(4,223)</u>	<u>(637)</u>
Net cash used by investing activities	<u>(4,223)</u>	<u>(637)</u>
Net increase in cash and cash equivalents	1,598,871	4,085,053
Cash and cash equivalents at beginning of year	<u>7,729,151</u>	<u>3,644,098</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 9,328,022</u>	<u>\$ 7,729,151</u>
SUPPLEMENTAL INFORMATION:		
Taxes Paid	<u>\$ -</u>	<u>\$ 150</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Asylum Access is a non-profit organization, incorporated in the State of California. Asylum Access 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.

Principles of consolidation -

The accounts of Asylum Access (including its fiscally sponsored activities in Thailand) have been consolidated with its national operations through local nongovernmental organizations in Mexico (Asylum Access Mexico) and Malaysia (Asylum Access Berhad), collectively, Asylum Access, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which require that financially interrelated organizations be consolidated. All intercompany transactions and balances have been eliminated in consolidation.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from donor restrictions.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Asylum Access' financial statements for the year ended June 30, 2021, from which the summarized information was derived.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

New accounting pronouncements adopted -

During 2022, Asylum Access adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU was applied on a retrospective basis. The amendment did not change the recognition and measurement requirements for those contributed nonfinancial assets.

Cash and cash equivalents -

Asylum Access considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, Asylum Access maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Asylum Access had \$336,402 of cash and cash equivalents on hand and in financial institutions in foreign countries at June 30, 2022. The majority of funds invested in foreign countries are uninsured.

Contributions and grants receivable -

Contributions and grants receivable are recorded at their net realizable value, which approximates fair value. Receivables that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue. Conditional promises to give are not included as support until the conditions are substantially met. All receivables are considered by management to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets purchases with an acquisition price of \$5,000 or greater are capitalized and stated at cost; however, all fixed asset acquisitions in-country (in which those assets have a service life greater than one year) are capitalized regardless of amount. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to ten years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended June 30, 2022 totaled \$1,662.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Income taxes -

Asylum Access is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Asylum Access is not a private foundation.

Asylum Access Mexico is registered as a Mexican Civil Association and is considered a tax-exempt organization. Asylum Access Berhad is incorporated in Malaysia as a company limited by guarantee and not having share capital. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

Uncertain tax positions -

For the year ended June 30, 2022, Asylum Access has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Revenue recognition -

The majority of Asylum Access' activities are supported by contributions from foundations, corporations, individuals and others, as well as under assistance awards received from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. Asylum Access performs an analysis of the individual award to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For awards qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Awards qualifying as conditional contributions contain a right of return from obligation provision that limits Asylum Access on how funds transferred should be spent; additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. As of June 30, 2022, Asylum Access had \$1,125,243 of unrecognized conditional assistance awards (not yet recorded in the accompanying consolidated financial statements).

Foreign currency translation -

The U.S. Dollar is the functional currency for Asylum Access' worldwide operations. Transactions in currencies other than U.S. Dollars are translated into dollars at the rate of exchange in effect during the month of the transaction.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Foreign currency translation (continued) -

Assets and liabilities denominated in currencies other than U.S. Dollars are translated into dollars at the exchange rate in effect at the date of the Consolidated Statement of Financial Position.

Use of estimates -

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of Asylum Access are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Reclassification -

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation.

New accounting pronouncements not yet adopted -

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Consolidated Statement of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non-public entities with fiscal years beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

Asylum Access plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying consolidated financial statements.

2. CONTRIBUTIONS AND GRANTS RECEIVABLE

As of June 30, 2022, contributors to Asylum Access have made unconditional written promises to give, of which \$7,295,666, remained due and outstanding.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

2. CONTRIBUTIONS AND GRANTS RECEIVABLE (Continued)

Amounts due beyond one year of the Consolidated Statement of Financial Position date have been recorded at the present value of the estimated cash flows, using a discount rate ranging from 2% to 4%.

Following is a schedule of amounts due, by year, as of June 30, 2022:

Less than one year	\$ 3,295,666
One to five years	<u>4,000,000</u>
Total	7,295,666
Less: Current portion	(3,295,666)
Less: Allowance to discount balance to present value	<u>(116,505)</u>
NET NONCURRENT RECEIVABLES	<u>\$ 3,883,495</u>

3. PAYCHECK PROTECTION PROGRAM (PPP)

During February 2021, Asylum Access received conditional support totaling \$97,000 under the Paycheck Protection Program (PPP). On September 27, 2021, Asylum Access received notification (from the Small Business Administration) that the entire amount was fully forgiven, and therefore it has been recorded as U.S. Government grant revenue in the accompanying Consolidated Statement of Activities and Change in Net Assets.

4. BOARD DESIGNATED NET ASSETS

As of June 30, 2022, net assets without donor restrictions have been designated by the Board of Directors for the following purpose:

Operating Reserve	<u>\$ 1,140,811</u>
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5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2022:

Subject to Expenditure for Specified Program Purposes	<u>\$ 12,263,133</u>
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The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose Restrictions Accomplished	<u>\$ 3,870,617</u>
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

6. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Consolidated Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 9,328,022
Contributions and grants receivable	3,295,666
Other receivables	<u>2,585</u>
Subtotal financial assets available within one year	12,626,273
Less: Donor restricted funds, current portion	(8,379,638)
Less: Board-designated funds	<u>(1,140,811)</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS
FOR GENERAL EXPENDITURES WITHIN ONE YEAR** **\$ 3,105,824**

Asylum Access has a policy to structure its financial assets to be available and liquid as its obligations become due. As of June 30, 2022, Asylum Access has financial assets equal to approximately 12 months of operating expenses.

7. 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 (for its in-country operations).

As of June 30, 2022, the headquarters lease in Oakland is under a month-to-month operating lease agreement which requires a monthly remittance of \$350. Office space supporting Asylum Access' local country activities require monthly remittances ranging from \$62 to \$2,037 (amounts estimated based on local monetary units and conversion factors).

The following is a schedule of the future minimum lease payments:

<u>Year Ending June 30,</u>	
2023	\$ 77,754
2024	<u>16,276</u>
	<u>\$ 94,030</u>

Occupancy expense for the year ended June 30, 2022 totaled \$141,540.

8. CONCENTRATION OF REVENUE

Approximately 23% of Asylum Access' revenue for the year ended June 30, 2022 was derived from awards received from agencies of the United States Government. Asylum Access also receives significant support from various foundations and corporations. Asylum Access has no reason to believe that relationships with these donors will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect Asylum Access' ability to finance ongoing operations.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

9. CONTINGENCY

Asylum Access receives awards from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2022. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

10. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, Asylum Access has evaluated events and transactions for potential recognition or disclosure through December 16, 2022, the date the consolidated financial statements were issued.