

CONSOLIDATED FINANCIAL STATEMENTS

ASYLUM ACCESS

ASYLUM ACCESS MEXICO

ASYLUM ACCESS BERHAD

**FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2022**

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CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Consolidated Statement of Financial Position, as of June 30, 2023, with Summarized Financial Information for 2022	4
EXHIBIT B - Consolidated Statement of Activities and Change in Net Assets, for the Year Ended June 30, 2023, with Summarized Financial Information for 2022	5
EXHIBIT C - Consolidated Statement of Functional Expenses, for the Year Ended June 30, 2023, with Summarized Financial Information for 2022	6
EXHIBIT D - Consolidated Statement of Cash Flows, for the Year Ended June 30, 2023, with Summarized Financial Information for 2022	7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8 - 15



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, 2023, 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 consolidated financial position of Asylum Access as of June 30, 2023, 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

We have previously audited Asylum Access' 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 16, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, 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 12, 2023

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

ASSETS		<u>2023</u>	<u>2022</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	7,002,658	\$ 9,328,022
Investments		4,138,316	-
Contributions and grants receivable		3,968,742	3,295,666
Other receivables		32,660	2,585
Prepaid expenses		<u>152,241</u>	<u>73,428</u>
Total current assets		<u>15,294,617</u>	<u>12,699,701</u>
FIXED ASSETS			
Equipment		10,041	7,702
Furniture		<u>1,926</u>	<u>1,908</u>
		11,967	9,610
Less: Accumulated depreciation		<u>(7,204)</u>	<u>(5,266)</u>
Net fixed assets		<u>4,763</u>	<u>4,344</u>
NONCURRENT ASSETS			
Deposits		13,783	12,315
Contributions and grants receivable, net of current portion and present value discount		<u>2,135,922</u>	<u>3,883,495</u>
Total noncurrent assets		<u>2,149,705</u>	<u>3,895,810</u>
TOTAL ASSETS		<u>\$ 17,449,085</u>	<u>\$ 16,599,855</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$	124,372	\$ 103,291
Accrued salaries and related benefits		457,876	330,035
Refundable advances		<u>132,489</u>	<u>-</u>
Total liabilities		<u>714,737</u>	<u>433,326</u>
NET ASSETS			
Without donor restrictions:			
Undesignated		4,734,074	2,762,585
Board designated		<u>1,839,499</u>	<u>1,140,811</u>
Total without donor restrictions		6,573,573	3,903,396
With donor restrictions		<u>10,160,775</u>	<u>12,263,133</u>
Total net assets		<u>16,734,348</u>	<u>16,166,529</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 17,449,085</u>	<u>\$ 16,599,855</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, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Contributions and grants	\$ 5,513,616	\$ 3,285,684	\$ 8,799,300	\$ 5,324,380
U.S. Government grants	2,119,987	-	2,119,987	1,693,176
Unrealized gain on investments	82,184	-	82,184	-
Interest income	54,372	-	54,372	5,808
Contributed services	65,009	-	65,009	-
Other revenue	3,271	-	3,271	694
Net assets released from donor restrictions	<u>5,388,042</u>	<u>(5,388,042)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>13,226,481</u>	<u>(2,102,358)</u>	<u>11,124,123</u>	<u>7,024,058</u>
EXPENSES				
Program Services	<u>9,456,338</u>	<u>-</u>	<u>9,456,338</u>	<u>6,332,275</u>
Supporting Services:				
Management and General	628,579	-	628,579	656,363
Fundraising	<u>471,387</u>	<u>-</u>	<u>471,387</u>	<u>323,760</u>
Total supporting services	<u>1,099,966</u>	<u>-</u>	<u>1,099,966</u>	<u>980,123</u>
Total expenses	<u>10,556,304</u>	<u>-</u>	<u>10,556,304</u>	<u>7,312,398</u>
Change in net assets	2,670,177	(2,102,358)	567,819	(288,340)
Net assets at beginning of year	<u>3,903,396</u>	<u>12,263,133</u>	<u>16,166,529</u>	<u>16,454,869</u>
NET ASSETS AT END OF YEAR	<u>\$ 6,573,573</u>	<u>\$ 10,160,775</u>	<u>\$ 16,734,348</u>	<u>\$ 16,166,529</u>

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**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023							2022				
	Program Services					Supporting Services						
	Global Systems Change: General	Global Systems Change: RRLI	Malaysia	Mexico: General	Mexico: Hospitality Route	Thailand	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries and related expenses	\$ 570,241	\$ 705,717	\$ 259,061	\$ 1,466,173	\$ 198,040	\$ 488,948	\$ 3,688,180	\$ 258,034	\$ 402,275	\$ 660,309	\$ 4,348,489	\$ 3,420,243
Awards and grants	22,805	2,999,279	3,500	1,009,385	412	653	4,036,034	-	-	-	4,036,034	2,553,739
Contract services	283,425	132,872	131,222	117,427	20,944	155,659	841,549	175,688	18,807	194,495	1,036,044	642,365
Travel and meetings	68,894	44,216	54,524	122,540	17,268	98,738	406,180	37,807	16,813	54,620	460,800	193,713
Operations and business expenses	19,022	23,084	10,122	80,200	3,569	28,012	164,009	76,913	19,691	96,604	260,613	186,756
Other expenses	27,545	13,567	19,665	52,255	6,634	18,633	138,299	53,974	9,287	63,261	201,560	114,020
Occupancy	2,682	1,286	14,127	108,037	9,151	19,185	154,468	12,367	3,315	15,682	170,150	141,540
Facilities and equipment	-	-	2,077	23,085	-	628	25,790	1,522	622	2,144	27,934	50,252
Bank fees	180	507	129	537	-	476	1,829	12,274	577	12,851	14,680	9,770
TOTAL	\$ 994,794	\$ 3,920,528	\$ 494,427	\$ 2,979,639	\$ 256,018	\$ 810,932	\$ 9,456,338	\$ 628,579	\$ 471,387	\$ 1,099,966	\$ 10,556,304	\$ 7,312,398

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 567,819	\$ (288,340)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,938	1,662
Unrealized gain on investments	(82,184)	-
Change in discount on noncurrent receivables	(52,427)	(68,487)
PPP conditional advance recognized as revenue	-	(97,000)
Decrease (increase) in:		
Contributions and grants receivable	1,126,924	1,852,188
Other receivables	(30,075)	(2,462)
Prepaid expenses	(78,813)	167,784
Deposits	(1,468)	(1,913)
Increase (decrease) in:		
Accounts payable and accrued liabilities	21,081	74,064
Accrued salaries and related benefits	127,841	122,832
Refundable advances	<u>132,489</u>	<u>(157,234)</u>
Net cash provided by operating activities	<u>1,733,125</u>	<u>1,603,094</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(2,357)	(4,223)
Purchase of investments	<u>(4,056,132)</u>	<u>-</u>
Net cash used by investing activities	<u>(4,058,489)</u>	<u>(4,223)</u>
Net (decrease) increase in cash and cash equivalents	(2,325,364)	1,598,871
Cash and cash equivalents at beginning of year	<u>9,328,022</u>	<u>7,729,151</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,002,658</u>	<u>\$ 9,328,022</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

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' consolidated financial statements for the year ended June 30, 2022, from which the summarized information was derived.

**ASYLUM ACCESS
ASYLUM ACCESS MEXICO
ASYLUM ACCESS BERHAD**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

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

New accounting pronouncement adopted -

During 2023, Asylum Access adopted ASU 2019-01, *Leases* (Topic 842), which changed 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. There was no impact on Asylum Access' consolidated financial statements as a result of the adoption of the ASU due to the short-term nature of its operating leases.

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 \$987,893 of cash and cash equivalents on hand and in financial institutions in foreign countries at June 30, 2023. The majority of funds invested in foreign countries are uninsured.

Investments -

Investments are recorded at their readily determinable fair value.

Investments acquired by gift are recorded at their fair value at the date of the gift. Asylum Access's policy is to liquidate all gifts of investments as soon as possible after the gift.

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 expense for the year ended June 30, 2023 totaled \$1,938.

**ASYLUM ACCESS
ASYLUM ACCESS MEXICO
ASYLUM ACCESS BERHAD**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

**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, 2023, 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 -

Asylum Access receives contributions, including unconditional promises to give, from many sources as well as grants from the U.S. Government, organizations and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. Asylum Access performs an analysis of the individual contribution or grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transaction is 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, 2023, Asylum Access, had \$132,489 of funds received that had not yet been recognized as revenue and have been presented as refundable advances in the accompanying Consolidated Statement of Financial Position. Additionally, as of June 30, 2023, Asylum Access had \$384,933 of conditional awards that had not yet been recognized as revenue in the accompanying consolidated financial statements.

**ASYLUM ACCESS
ASYLUM ACCESS MEXICO
ASYLUM ACCESS BERHAD**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

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

Contributed services -

Contributed services consist of donated legal services. Contributed services are recorded at their fair value as of the date of the gift. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Asylum Access.

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. 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 accompanying 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.

Investment risks and uncertainties -

Asylum Access invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Fair value measurement -

Asylum Access adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. Asylum Access accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

**ASYLUM ACCESS
ASYLUM ACCESS MEXICO
ASYLUM ACCESS BERHAD**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

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

New accounting pronouncement not yet adopted -

ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for Asylum Access for the year ending June 30, 2024. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

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. INVESTMENTS

Investments consisted of the following as of June 30, 2023:

	Fair Value
Equities	\$ 39,996
U.S. Treasury Bills	4,098,320
TOTAL INVESTMENTS	\$ 4,138,316

3. CONTRIBUTIONS AND GRANTS RECEIVABLE

As of June 30, 2023, contributors to Asylum Access have made unconditional written promises to give, of which \$6,168,742, remained due and outstanding. 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, 2023:

Less than one year	\$ 3,968,742
One to five years	2,200,000
Total	6,168,742
Less: Current portion	(3,968,742)
Less: Allowance to discount balance to present value	(64,078)
NET NONCURRENT RECEIVABLES	\$ 2,135,922

4. BOARD DESIGNATED NET ASSETS

As of June 30, 2023, net assets without donor restrictions have been designated by the Board of Directors for the following purpose:

Operating Reserve	\$ 1,839,499
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ASYLUM ACCESS BERHAD**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2023:

Subject to Expenditure for Specified Program Purposes \$ 10,160,775

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 \$ 5,388,042

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	\$ 7,002,658
Investments	4,138,316
Contributions and grants receivable, current portion	3,968,742
Other receivables	<u>32,660</u>
Subtotal financial assets available within one year	15,142,376
Less: Donor restricted funds, current portion	(8,024,853)
Less: Board-designated funds	<u>(1,839,499)</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS
FOR GENERAL EXPENDITURES WITHIN ONE YEAR \$ 5,278,024**

Asylum Access has a policy to structure its financial assets to be available and liquid as its obligations become due.

7. CONTRIBUTED SERVICES

During the year ended June 30, 2023, Asylum Access was the beneficiary of donated services which allowed Asylum Access to provide greater resources toward various activities. There were no donor-imposed restrictions associated with the in-kind contributions during the year ended June 30, 2023. Contributed services are valued at the estimated fair value based on current rates for similar professional services.

The following contributions have been included in revenue and expense during the year ended June 30, 2023:

Contract services (legal fees) \$ 65,009

The aforementioned expenses have been included in the following functional expense categories in the accompanying Consolidated Statement of Functional Expenses:

Management and General \$ 65,009

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ASYLUM ACCESS BERHAD**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

8. LEASE COMMITMENTS

Asylum Access is obligated under separate short-term 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, 2023, the headquarters lease in Oakland is under a month-to-month operating lease agreement which requires a monthly payment of \$350. Asylum Access' offices overseas are under short-term leases requiring monthly payments ranging from \$62 to \$2,037 (amounts estimated based on local monetary units and conversion factors).

As of June 30, 2023, future minimum lease payments required under all leases totaled \$64,000.

Occupancy expense for the year ended June 30, 2023 totaled \$170,150.

9. CONCENTRATION OF REVENUE

Approximately 20% of Asylum Access' support and revenue for the year ended June 30, 2023 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.

10. 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 2023. 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.

Various lawsuits and other contingent liabilities arise in the ordinary course of Asylum Access' activities. While the final outcome of these legal actions cannot be determined at this time, management is of the opinion that the ultimate liability, if any, from the final resolution of these matters will not have a material effect on Asylum Access' consolidated financial statements.

11. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, Asylum Access has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

11. FAIR VALUE MEASUREMENT (Continued)

Investments recorded in the Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Asylum Access has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used as of June 30, 2023.

- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by Asylum Access are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Asylum Access are deemed to be actively traded.
- *U.S. Treasury Bills* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes, by level within the fair value hierarchy and those invested and measured at NAV for practical expedient as of June 30, 2023.

	Level 1	Level 2	Level 3	Total June 30, 2023
Investments:				
Equities	\$ 39,996	\$ -	\$ -	\$ 39,996
U.S. Treasury Bills	-	4,098,320	-	4,098,320
TOTAL INVESTMENTS	\$ 39,996	\$ 4,098,320	\$ -	\$ 4,138,316

12. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, Asylum Access has evaluated events and transactions for potential recognition or disclosure through December 12, 2023, the date the consolidated financial statements were issued.