

**CONSOLIDATED FINANCIAL STATEMENTS**

**ASYLUM ACCESS**

**ASYLUM ACCESS MEXICO**

**ASYLUM ACCESS BERHAD**

**FOR THE YEAR ENDED JUNE 30, 2024  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2023**

**ASYLUM ACCESS  
ASYLUM ACCESS MEXICO  
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, 2024, 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, 2024, 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.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## **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.

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' 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 12, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



December 3, 2024

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

| <b>ASSETS</b>                            |    | <u>2024</u>                 | <u>2023</u>                 |
|--|----|-----------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                    |    |                             |                             |
| Cash and cash equivalents                | \$ | 3,955,473                   | \$ 7,002,658                |
| Investments                              |    | 4,994,909                   | 4,138,316                   |
| Contributions and grants receivable      |    | 2,822,173                   | 3,968,742                   |
| Other receivables                        |    | 32,184                      | 32,660                      |
| Prepaid expenses                         |    | <u>70,014</u>               | <u>64,082</u>               |
| Total current assets                     |    | <u>11,874,753</u>           | <u>15,206,458</u>           |
| <b>FIXED ASSETS</b>                      |    |                             |                             |
| Equipment                                |    | 11,507                      | 10,041                      |
| Furniture                                |    | <u>1,903</u>                | <u>1,926</u>                |
| Less: Accumulated depreciation           |    | 13,410                      | 11,967                      |
|  |    | <u>(9,353)</u>              | <u>(7,204)</u>              |
| Net fixed assets                         |    | <u>4,057</u>                | <u>4,763</u>                |
| <b>NONCURRENT ASSETS</b>                 |    |                             |                             |
| Deposits                                 |    | 131,152                     | 101,942                     |
| Contributions and grants receivable, net |    | <u>47,455</u>               | <u>2,135,922</u>            |
| Total noncurrent assets                  |    | <u>178,607</u>              | <u>2,237,864</u>            |
| <b>TOTAL ASSETS</b>                      |    | <b><u>\$ 12,057,417</u></b> | <b><u>\$ 17,449,085</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>        |    |                             |                             |
| <b>CURRENT LIABILITIES</b>               |    |                             |                             |
| Accounts payable and accrued liabilities | \$ | 111,208                     | \$ 124,372                  |
| Accrued salaries and related benefits    |    | 216,464                     | 457,876                     |
| Refundable advances                      |    | <u>88,928</u>               | <u>132,489</u>              |
| Total liabilities                        |    | <u>416,600</u>              | <u>714,737</u>              |
| <b>NET ASSETS</b>                        |    |                             |                             |
| Without donor restrictions:              |    |                             |                             |
| Undesignated                             |    | 2,587,910                   | 4,734,074                   |
| Board designated                         |    | <u>1,626,949</u>            | <u>1,839,499</u>            |
| Total without donor restrictions         |    | 4,214,859                   | 6,573,573                   |
| With donor restrictions                  |    | <u>7,425,958</u>            | <u>10,160,775</u>           |
| Total net assets                         |    | <u>11,640,817</u>           | <u>16,734,348</u>           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>  |    | <b><u>\$ 12,057,417</u></b> | <b><u>\$ 17,449,085</u></b> |

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, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

|   | <u>2024</u>                               |                                    |                             | <u>2023</u>                 |
|---|---|------------------------------------|-----------------------------|-----------------------------|
|   | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>                | <u>Total</u>                |
| <b>SUPPORT AND REVENUE</b>                  |   |                                    |                             |                             |
| Contributions and grants                    | \$ 1,887,327                              | \$ 3,251,630                       | \$ 5,138,957                | \$ 10,919,287               |
| Investment return                           | 235,687                                   | -                                  | 235,687                     | 136,556                     |
| Contributed nonfinancial assets             | 91,404                                    | -                                  | 91,404                      | 65,009                      |
| Other revenue                               | 21,152                                    | -                                  | 21,152                      | 3,271                       |
| Net assets released from donor restrictions | <u>5,986,447</u>                          | <u>(5,986,447)</u>                 | <u>-</u>                    | <u>-</u>                    |
| Total support and revenue                   | <u>8,222,017</u>                          | <u>(2,734,817)</u>                 | <u>5,487,200</u>            | <u>11,124,123</u>           |
| <b>EXPENSES</b>                             |   |                                    |                             |                             |
| Program Services                            | <u>9,244,359</u>                          | <u>-</u>                           | <u>9,244,359</u>            | <u>9,456,338</u>            |
| Supporting Services:                        |   |                                    |                             |                             |
| Management and General                      | 942,494                                   | -                                  | 942,494                     | 628,579                     |
| Fundraising                                 | <u>393,878</u>                            | <u>-</u>                           | <u>393,878</u>              | <u>471,387</u>              |
| Total supporting services                   | <u>1,336,372</u>                          | <u>-</u>                           | <u>1,336,372</u>            | <u>1,099,966</u>            |
| Total expenses                              | <u>10,580,731</u>                         | <u>-</u>                           | <u>10,580,731</u>           | <u>10,556,304</u>           |
| Change in net assets                        | (2,358,714)                               | (2,734,817)                        | (5,093,531)                 | 567,819                     |
| Net assets at beginning of year             | <u>6,573,573</u>                          | <u>10,160,775</u>                  | <u>16,734,348</u>           | <u>16,166,529</u>           |
| <b>NET ASSETS AT END OF YEAR</b>            | <b><u>\$ 4,214,859</u></b>                | <b><u>\$ 7,425,958</u></b>         | <b><u>\$ 11,640,817</u></b> | <b><u>\$ 16,734,348</u></b> |

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**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

|                                  | 2024                           |                             |                   |                     |                           |                     |                        |                        |                   |                           | 2023                 |                      |                |                |
|----------------------------------|--------------------------------|-----------------------------|-------------------|---------------------|---------------------------|---------------------|------------------------|------------------------|-------------------|---------------------------|----------------------|----------------------|----------------|----------------|
|                                  | Program Services               |                             |                   |                     |                           |                     | Supporting Services    |                        |                   |                           |                      |                      | Total Expenses | Total Expenses |
|                                  | 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 |                      |                      |                |                |
| Salaries and related expenses    | \$ 641,483                     | \$ 737,264                  | \$ 25,183         | \$ 1,592,937        | \$ 180,719                | \$ 919,313          | \$ 4,096,899           | \$ 453,466             | \$ 327,086        | \$ 780,552                | \$ 4,877,451         | \$ 4,348,489         |                |                |
| Awards and grants                | 69,476                         | 3,189,282                   | 1,258             | 149,223             | -                         | -                   | 3,409,239              | -                      | -                 | -                         | 3,409,239            | 4,036,034            |                |                |
| Contract services                | 269,550                        | 173,133                     | 91,769            | 127,824             | 36,005                    | 159,667             | 857,948                | 349,122                | 29,506            | 378,628                   | 1,236,576            | 1,036,044            |                |                |
| Travel and meetings              | 58,886                         | 140,483                     | 43,995            | 160,070             | 14,256                    | 63,232              | 480,922                | 28,556                 | 8,044             | 36,600                    | 517,522              | 460,800              |                |                |
| Operations and business expenses | 17,802                         | 18,335                      | 8,798             | 900                 | 1,621                     | 34,801              | 82,257                 | 75,508                 | 18,207            | 93,715                    | 175,972              | 260,613              |                |                |
| Occupancy                        | 41,213                         | 7,159                       | 29,351            | 35,668              | 3,662                     | 15,056              | 132,109                | 18,288                 | 6,353             | 24,641                    | 156,750              | 170,150              |                |                |
| Other expenses                   | 1,287                          | 446                         | 10,829            | 106,982             | 1,794                     | 21,972              | 143,310                | 6,207                  | 2,515             | 8,722                     | 152,032              | 201,560              |                |                |
| Facilities and equipment         | 89                             | -                           | 7,527             | 29,140              | 424                       | 627                 | 37,807                 | 513                    | 300               | 813                       | 38,620               | 27,934               |                |                |
| Bank fees                        | 310                            | 2,831                       | 49                | 567                 | -                         | 111                 | 3,868                  | 10,834                 | 1,867             | 12,701                    | 16,569               | 14,680               |                |                |
| <b>TOTAL</b>                     | <b>\$ 1,100,096</b>            | <b>\$ 4,268,933</b>         | <b>\$ 218,759</b> | <b>\$ 2,203,311</b> | <b>\$ 238,481</b>         | <b>\$ 1,214,779</b> | <b>\$ 9,244,359</b>    | <b>\$ 942,494</b>      | <b>\$ 393,878</b> | <b>\$ 1,336,372</b>       | <b>\$ 10,580,731</b> | <b>\$ 10,556,304</b> |                |                |

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

|  | <u>2024</u>                | <u>2023</u>                |
|--|----------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                            |                            |
| Change in net assets   | \$ (5,093,531)             | \$ 567,819                 |
| Adjustments to reconcile change in net assets to net cash (used) provided by operating activities: |                            |                            |
| Depreciation   | 2,660                      | 1,938                      |
| Unrealized loss (gain) on investments  | 24,955                     | (82,184)                   |
| Realized gain on sales of investments  | (433)                      | -                          |
| Change in discount on noncurrent receivables   | (61,533)                   | (52,427)                   |
| Loss on disposal of fixed assets   | 23                         | -                          |
| Decrease (increase) in:  |                            |                            |
| Contributions and grants receivable  | 3,296,569                  | 1,126,924                  |
| Other receivables  | 476                        | (30,075)                   |
| Prepaid expenses   | (5,932)                    | (78,813)                   |
| Deposits   | (29,210)                   | (1,468)                    |
| (Decrease) increase in:  |                            |                            |
| Accounts payable and accrued liabilities   | (13,164)                   | 21,081                     |
| Accrued salaries and related benefits  | (241,412)                  | 127,841                    |
| Refundable advances  | <u>(43,561)</u>            | <u>132,489</u>             |
| Net cash (used) provided by operating activities   | <u>(2,164,093)</u>         | <u>1,733,125</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                            |                            |
| Purchases of fixed assets  | (1,977)                    | (2,357)                    |
| Purchases of investments   | (1,831,265)                | (4,056,132)                |
| Proceeds from sales of investments   | <u>950,150</u>             | <u>-</u>                   |
| Net cash used by investing activities  | <u>(883,092)</u>           | <u>(4,058,489)</u>         |
| Net decrease in cash and cash equivalents  | (3,047,185)                | (2,325,364)                |
| Cash and cash equivalents at beginning of year   | <u>7,002,658</u>           | <u>9,328,022</u>           |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>  | <b><u>\$ 3,955,473</u></b> | <b><u>\$ 7,002,658</u></b> |



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

Organization -

Asylum Access is a non-profit organization formed 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. Asylum Access furthers its mission and purpose through its local activities in Thailand, as well as in Mexico (through Asylum Access Mexico) and Malaysia (through Asylum Access Berhad).

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit 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". Net assets set aside 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** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the 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. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

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, 2023, from which the summarized information was derived.

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 U.S. GAAP which require that financially interrelated organizations be consolidated. All intercompany transactions and balances have been eliminated in consolidation.

New accounting pronouncement adopted -

Accounting Standards Update (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.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

New accounting pronouncement adopted (continued) -

Under the standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by Asylum Access that are subject to the guidance in FASB ASC 326 are trade accounts receivable. Asylum Access implemented the ASU on July 1, 2023 using a modified retrospective approach. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in enhanced disclosures only.

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 \$235,560 of cash and cash equivalents on hand and in financial institutions in foreign countries at June 30, 2024. The majority of funds invested in foreign countries are uninsured.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, in the accompanying Consolidated Statement of Activities and Change in Net Assets. Investments acquired by gift, such as donated securities, 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 include unconditional promises to give that are expected to be collected in future years. are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term pledges receivable (or contributions receivable or grants and contributions receivable) is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions and grants.

Fixed assets -

Fixed assets in excess of \$5,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally to years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense totaled \$2,660 for the year ended June 30, 2024.

Income taxes -

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

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

Income taxes (continued) -

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.

Support from grants and contributions, including government awards -

Asylum Access receives contributions from governments (Federal and foreign), foundations 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 agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but 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. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying consolidated financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. As of June 30, 2024, Asylum Access, had \$88,928 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.

In addition, Asylum Access has obtained funding source agreements related to conditional contributions, such as awards from governments, which will be received in future years. Asylum Access' unrecognized conditional contributions to be received in future years totaled approximately \$4,500,000 as of June 30, 2024.

Contributed nonfinancial assets -

Contributed nonfinancial assets consist of donated legal services. Contributed nonfinancial assets 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.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

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.

**2. INVESTMENTS AND FAIR VALUE MEASUREMENTS**

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.

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 the Asylum Access has the ability to access.

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**2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

**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 and there were no transfers between levels in the fair value hierarchy during the year ended June 30, 2024. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end mutual funds that are registered with the Securities and Exchange Commission and 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, 2024.

|                          | <b>Level 1</b>      | <b>Level 2</b>      | <b>Level 3</b> | <b>Total</b>        |
|--------------------------|---------------------|---------------------|----------------|---------------------|
| <b>Investments:</b>      |                     |                     |                |                     |
| Money market             | \$ 1,070,334        | \$ -                | \$ -           | \$ 1,070,334        |
| U.S. Treasury Bills      | -                   | 3,924,575           | -              | 3,924,575           |
| <b>TOTAL INVESTMENTS</b> | <b>\$ 1,070,334</b> | <b>\$ 3,924,575</b> | <b>\$ -</b>    | <b>\$ 4,994,909</b> |

Included in investment return are the following:

|                                       |                   |
|---------------------------------------|-------------------|
| Interest and dividends                | \$ 260,209        |
| Unrealized loss on investments        | (24,955)          |
| Realized gain on sales of investments | 433               |
| <b>INVESTMENT RETURN</b>              | <b>\$ 235,687</b> |

**3. CONTRIBUTIONS AND GRANTS RECEIVABLE**

As of June 30, 2024, contributors to Asylum Access have made unconditional written promises to give, of which \$2,872,173, 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 of 5.09%. Following is a schedule of amounts due, by year, as of June 30, 2024:

|  |                  |
|--|------------------|
| Less than one year                                   | \$ 2,822,173     |
| One to five years                                    | 50,000           |
| Total  | 2,872,173        |
| Less: Current portion                                | (2,822,173)      |
| Less: Allowance to discount balance to present value | (2,545)          |
| <b>NET NONCURRENT RECEIVABLES</b>                    | <b>\$ 47,455</b> |

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**4. BOARD DESIGNATED NET ASSETS**

A portion of Asylum Access' net assets without donor restrictions have been designated by the Board of Directors as an operating reserve fund and totaled \$1,626,949 as of June 30, 2024.

**5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at June 30, 2024:

**Subject to Expenditure for Specified Program Purposes**      \$ **7,425,958**

The following net assets with donor restrictions were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

**Purpose Restrictions Accomplished**      \$ **5,986,447**

**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                            | \$ 3,955,473       |
| Investments  | 4,994,909          |
| Contributions and grants receivable, current portion | 2,822,173          |
| Other receivables                                    | <u>32,184</u>      |
| Subtotal financial assets available within one year  | 11,804,739         |
| Less: Donor restricted funds, current portion        | (7,378,503)        |
| Less: Board-designated funds                         | <u>(1,626,949)</u> |

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS  
FOR GENERAL EXPENDITURES WITHIN ONE YEAR**      \$ **2,799,287**

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

**7. CONTRIBUTED NONFINANCIAL ASSETS**

During the year ended June 30, 2024, 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, 2024. 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, 2024:

**Contract Services (Legal Fees)**      \$ **91,404**

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

**Program Services**      \$ **91,404**

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**8. LEASES**

Asylum Access follows FASB ASC 842 for leases. Asylum Access has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes.

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). Asylum Access has elected the practical expedient for these short-term leases as the lease terms are less than 12 months.

The leases in Oakland are under a month-to-month agreements that require a monthly payment totaling \$389. Asylum Access' offices overseas are under short-term leases requiring monthly payments ranging from \$18 to \$3,238 (amounts estimated based on local monetary units and conversion factors).

As of June 30, 2024, future minimum lease payments required under all leases totaled \$56,471.

Lease cost for the year ended June 30, 2024 totaled \$152,032 and is included in Occupancy on the accompanying Consolidated Statement of Functional Expenses.

**9. CONCENTRATION OF REVENUE**

Approximately 13% of Asylum Access' support and revenue for the year ended June 30, 2024 was derived from assistance awards received from agencies of the United States Government. Asylum Access also receives significant support from various foundations, corporations and individuals. Additionally, approximately 37% of Asylum Access' support and revenue for the year ended June 30, 2024 was derived from assistance awards received from a single individual.

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. CONTINGENCIES**

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. Asylum Access did not meet the threshold to require an audit in accordance with Subpart F of the Uniform Guidance.

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.

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**11. SUBSEQUENT EVENTS**

In preparing these consolidated financial statements, Asylum Access has evaluated events and transactions for potential recognition or disclosure through December 3, 2024, the date the consolidated financial statements were issued.