

ASYLUM ACCESS  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

June 30, 2016  
(with summarized comparative totals  
for June 30, 2015)

## CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF ACTIVITIES	6
STATEMENT OF FUNCTIONAL EXPENSES	7
STATEMENT OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9
SUPPLEMENTAL INFORMATION	
SCHEDULE OF ACTIVITIES - UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE	18
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	19
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	20
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	21
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE	23
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	25

INDEPENDENT AUDITORS' REPORT

Board of Directors  
Asylum Access

We have audited the accompanying financial statements of Asylum Access (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

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

**Auditors' Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asylum Access as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT (continued)

**Report on Summarized Comparative Information**

The financial statements of Asylum Access as of and for the year ended June 30, 2015, were audited by other auditors whose report dated January 13, 2016, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Matters**

*Supplemental Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Activities - United Nations Voluntary Fund for Victims of Torture on page 18 is presented for additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2017 on our consideration of Asylum Access's 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 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 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's internal control over financial reporting and compliance.

*DZH Phillips LLP*

San Francisco, California  
February 13, 2017

Asylum Access

STATEMENT OF FINANCIAL POSITION

June 30, 2016

(with summarized comparative totals for June 30, 2015)

	<b>ASSETS</b>	
	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 827,894	\$ 823,730
Contracts and grants receivable	644,554	549,090
Prepaid expenses	29,618	21,890
Total current assets	<u>1,502,066</u>	<u>1,394,710</u>
PROPERTY AND EQUIPMENT - net	<u>20,291</u>	<u>7,670</u>
<b>OTHER ASSETS</b>		
Contracts and grants receivable - long term	150,000	-
Deposits	13,038	9,960
Total other assets	<u>163,038</u>	<u>9,960</u>
Total assets	<u>\$ 1,685,395</u>	<u>\$ 1,412,340</u>
	<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>		
Accounts payable and other accrued expenses	\$ 70,766	\$ 28,532
Accrued compensation	80,403	54,401
Total current liabilities	<u>151,169</u>	<u>82,933</u>
COMMITMENTS	-	-
<b>NET ASSETS</b>		
Unrestricted	555,005	640,773
Temporarily restricted	979,221	688,634
Total net assets	<u>1,534,226</u>	<u>1,329,407</u>
Total liabilities and net assets	<u>\$ 1,685,395</u>	<u>\$ 1,412,340</u>

The accompanying notes are an integral part of this financial statement.

## Asylum Access

### STATEMENT OF ACTIVITIES

For the year ended June 30, 2016  
(with summarized comparative totals for June 30, 2015)

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
Support and Revenue				
Government grants	\$ 1,302,190	\$ -	\$ 1,302,190	\$ 992,945
Contributions	155,875	-	155,875	178,727
Foundation and corporate grants	110,707	1,302,173	1,412,880	723,108
Special events income	1,635	-	1,635	-
In-kind contributions	-	-	-	63
Interest	372	-	372	2,807
Other	6,631	-	6,631	11,545
	<u>1,577,410</u>	<u>1,302,173</u>	<u>2,879,583</u>	<u>1,909,195</u>
Net assets released from donor restrictions	<u>1,011,586</u>	<u>(1,011,586)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>2,588,996</u>	<u>290,587</u>	<u>2,879,583</u>	<u>1,909,195</u>
Expenses				
Program	1,979,252		1,979,252	1,483,824
General and administrative	448,774	-	448,774	198,887
Fundraising	246,738	-	246,738	179,800
Total Expenses	<u>2,674,764</u>	<u>-</u>	<u>2,674,764</u>	<u>1,862,511</u>
Change in Net Assets	(85,768)	290,587	204,819	46,684
Net assets- beginning of year	<u>640,773</u>	<u>688,634</u>	<u>1,329,407</u>	<u>1,282,723</u>
Net assets - end of year	<u>\$ 555,005</u>	<u>\$ 979,221</u>	<u>\$ 1,534,226</u>	<u>\$ 1,329,407</u>

The accompanying notes are an integral part of this financial statement.

## Asylum Access

### STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2016

	Program Services					Supporting Services			Total
	Legal Assistance	Policy Advocacy	Movement Building	Strategic Litigation	Community Empowerment	Total	Management and General	Fundraising	
Salaries	\$ 499,161	\$ 176,570	\$ 135,519	\$ 29,105	\$ 253,516	\$ 1,093,871	\$ 214,537	\$ 158,641	\$ 1,467,049
Employee benefits	47,292	15,994	10,455	3,564	26,675	103,980	17,988	14,413	\$ 136,381
Payroll taxes	52,085	14,453	10,821	2,770	22,363	102,492	15,997	12,497	\$ 130,986
Total personnel costs	598,538	207,017	156,795	35,439	302,554	1,300,343	248,522	185,551	1,734,416
Legal	7,391	20	-	-	-	7,411	7,569	60	15,040
Accounting	163	-	-	-	-	163	23,397	-	23,560
Interpreters and other contractors	83,272	13,441	4,832	2,747	28,433	132,725	14,020	24,079	170,824
Supplies	19,928	3,400	1,691	1,139	14,882	41,040	5,019	956	47,015
Telephone	18,473	2,533	1,442	1,130	9,955	33,533	2,388	775	36,696
Postage and shipping	2,304	717	480	136	993	4,630	851	695	6,176
Equipment rental and maintenance	5,438	1,052	572	211	2,767	10,040	1,031	409	11,480
Depreciation	688	299	92	6	699	1,784	66	29	1,879
Copying and printing	5,744	1,963	1,102	200	3,031	12,040	1,725	3,069	16,834
Occupancy	63,873	16,905	11,460	4,249	38,000	134,487	22,415	9,722	166,624
Travel	76,364	47,290	7,106	4,102	42,989	177,851	13,193	9,659	200,703
Conferences, conventions, and meetings	15,633	8,343	1,401	267	15,598	41,242	1,326	966	43,534
Book subscriptions	618	131	48	68	562	1,427	53	532	2,012
Bank fees	512	-	-	-	-	512	13,963	1,280	15,755
Insurance	2,138	4,034	3,287	231	1,740	11,430	5,362	3,337	20,129
Dues, licenses, services fees	1,100	-	-	-	-	1,100	3,538	-	4,638
Equipment and furnishings	22,163	5,676	3,353	1,253	15,032	47,477	9,401	3,205	60,083
Currency conversion and other expenses	9,809	-	-	-	1,486	11,295	56,265	-	67,560
Staff development	1,340	405	-	26	750	2,521	9,427	129	12,077
Awareness events	-	-	-	-	-	-	-	366	366
Information technology	671	1,577	1,288	53	396	3,985	2,013	1,329	7,327
Advertising and promotion	35	-	-	-	262	297	2,461	90	2,848
Grants	-	-	-	-	1,518	1,518	-	500	2,018
Corporate fees	401	-	-	-	-	401	4,769	-	5,170
Total expenses	\$ 936,596	\$ 314,803	\$ 194,949	\$ 51,257	\$ 481,647	\$ 1,979,252	\$ 448,774	\$ 246,738	\$ 2,674,764

The accompanying notes are an integral part of this financial statement.

Asylum Access

STATEMENT OF CASH FLOWS

For the year ended June 30, 2016  
(with summarized comparative totals for June 30, 2015)

	2016	2015
Cash flows provided by (used in) operating activities:		
Change in net assets	\$ 204,819	\$ 46,684
Adjustments to reconcile change in net assets to net cash provided (used in) operating activities:		
Depreciation	1,879	-
Changes in operating assets and liabilities:		
Contracts and grants receivable	(245,464)	240,230
Prepaid expenses	(7,728)	2,479
Deposits	(3,078)	(8,460)
Accounts payable and other accrued expenses	42,234	12,840
Accrued compensation	26,002	30,672
Net cash provided by operating activities	18,664	324,445
Cash flows provided by (used in) investing activities:		
Purchase of equipment	(14,500)	(7,670)
Net cash used in investing activities	(14,500)	(7,670)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,164	316,775
Cash and cash equivalents - beginning of year	823,730	506,955
Cash and cash equivalents - end of year	\$ 827,894	\$ 823,730

The accompanying notes are an integral part of this financial statement.



## Asylum Access

### NOTES TO FINANCIAL STATEMENTS

June 30, 2016

#### NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Description of organization

Asylum Access (the Organization) believes all refugees deserve a fair chance at a new life. All over the world, we challenge barriers that keep refugees from living safely, moving freely, working and attending school – because when refugees can rebuild their lives, nations thrive.

A global leader in refugee human rights, Asylum Access today has 17 offices across the globe. Our proven track record of global and national-level policy change, coupled with legal assistance and community support, has directly impacted more than a million refugees worldwide to date.

Our unique combination of five integrated strategies provides grassroots assistance and changes the legal landscape for refugees and their host communities. By helping refugees assert their rights, we are putting power back into their hands.

##### Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to non-profit organizations.

##### Basis of presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets as follows:

##### *Unrestricted net assets*

Unrestricted net assets are the portion of net assets that are neither temporarily nor permanently restricted by donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by the Organization.

##### *Temporarily restricted net assets*

Temporarily restricted net assets are the portion of net assets for which use is limited by donor-imposed restrictions that either expire by passage of time or can be fulfilled and removed by certain actions of the Organization.

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation (continued)

*Permanently restricted net assets*

Permanently restricted net assets, are the portion of net assets for which use is limited by donor-imposed stipulations that neither expire by the passage of time nor can otherwise be removed by actions of the Organization. There were no permanently restricted net assets as of June 30, 2016.

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. In the United States, such balances with any one institution may, at times, be in excess of federally insured amounts (currently \$250,000 per depositor). Bank accounts in foreign countries are not covered by Federal Deposit Insurance Corporation (FDIC) insurance.

Contracts and grants receivable

The Organization considers all contracts and grants receivable to be fully collectible at June 30, 2016. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Property and equipment

Property and equipment are recorded at cost, if purchased or at fair market value on the date of donation. The Organization capitalizes all expenditures for property and equipment over \$5,000. Depreciation is computed using the straight-line method over the estimated useful lives ranging from three to five years.

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable. Impairment is recognized if the sum of the undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

Revenue recognition

Unconditional promises to give to the Organization are recorded as revenue at their fair value when the promise is made. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support based on whether they include donor stipulations that limit the use of the contributions. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restriction.

Contributed services

Contributed services are reflected in the financial statements at the fair value of the services received only 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 the Organization. There were no contributed services that met the criteria for recognition for the year ended June 30, 2016. However, as described in Note G, the Organization did receive the benefit of volunteer services that did not meet the criteria for recognition.

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Asylum Access

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Organization has been granted tax exempt status under Section 501(c)(3) by the Internal Revenue Service (IRS) and under Section 23701(f) by the California Franchise Tax Board.

Each year, management considers whether any material tax position the Organization has taken is more likely than not to be sustained upon examination by the applicable taxing authority. Management believes that any positions the Organization has taken are supported by substantial authority and, hence, do not need to be measured or disclosed in these financial statements.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Prior year summarized information

The 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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

Subsequent events

Management has evaluated subsequent events through the date the financial statements are available to be issued, February 13, 2017.

NOTE B - CONCENTRATIONS

During the year ended June 30, 2016 the Organization received 62% of its contributed support from four donors, and 46% of its overall support from the Department of State. Furthermore, at June 30, 2016, three donors had receivables that make up a total of 61% of the contracts and grants receivable balance.

Asylum Access

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE C – CONTRACTS AND GRANTS RECEIVABLE

Contracts and grants receivable at June 30, 2016 consists of the following:

	<u>2016</u>
Receivable in one year or less	644,554
Receivable in two to five years	<u>150,000</u>
	<u>\$ 794,554</u>

NOTE D - PROPERTY AND EQUIPMENT

At June 30, 2016, property and equipment consist of the following:

	<u>2016</u>
Furniture and equipment	\$ 7,670
Automobile	<u>14,500</u>
Less: accumulated depreciation	<u>(1,879)</u>
	<u>\$ 20,291</u>

For the year ended June 30, 2016, total depreciation expense amounted to \$1,879.

Asylum Access

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE E - COMMITMENTS

The Organization leases various office space in Oakland, California, Ecuador, Panama, Malaysia, Tanzania, Mexico, and Thailand. The Organization also leases two copiers under operating leases.

Future minimum payments under the leases are as follows:

<u>Year ending June 30,</u>	<u>Facilities</u>	<u>Equipment</u>	<u>Total</u>
2017	\$ 105,200	\$ 1,700	\$ 106,900
2018	60,400	1,700	62,100
2019	-	1,700	1,700
2020	-	1,700	1,700
2021	-	1,200	1,200
	<u>\$ 165,600</u>	<u>\$ 8,000</u>	<u>\$ 173,600</u>

Rent expense for the year ended June 30, 2016 was \$147,772.

Asylum Access

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE F - TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2016, temporarily restricted net assets were available as follows:

	<u>2016</u>
Fellowship program	\$ 10,000
Refugee Rights Toolkit	100,000
Latin America	-
Tanzania	19,000
Ecuador	221,372
Mexico	198,849
Future operations	<u>430,000</u>
Total	<u><u>\$ 979,221</u></u>

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows:

	<u>2016</u>
Fellowship Program	\$ 5,000
Legal aid	50,000
Refugee Rights Toolkit	200,000
Community Legal Empowerment	10,000
Malaysia	15,300
Latin America	62,000
Tanzania	6,000
Ecuador	124,433
Mexico	31,219
Time restrictions	<u>507,634</u>
Total	<u><u>\$ 1,011,586</u></u>

Asylum Access

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2016

NOTE G - VOLUNTEER SUPPORT

During the year ended June 30, 2016, the Organization benefited from volunteer legal advocates who provided services to the Organization's clients in U.S. and overseas. The value of these services was \$316,038 and was calculated as follows:

	<u>Hours</u>	<u>Rate per Hour</u>	<u>Total</u>	<u>Number of Volunteers</u>
Ecuador	13,100	\$ 4.55	\$ 59,605	20
Panama	1,952	\$ 6.25	12,200	3
Mexico	1,476	\$ 6.00	8,856	3
U.S.	4,037	\$ 20.00	80,740	22
Malaysia	9,440	\$ 4.80	45,312	14
Tanzania	17,492	\$ 6.25	109,325	18
			<u>\$ 316,038</u>	<u>80</u>

The value of these services has not been recorded in the financial statements as the services do not meet the criteria for recognition.



SUPPLEMENTAL INFORMATION

Asylum Access

Schedule of Activities – United Nations Voluntary Fund for Victims of Torture

For the year ended June 30, 2016

Grant award	<u>\$ 50,000</u>
Expenses	
Contract personnel	9,310
Salaries, overseas	31,719
Occupancy	7,971
Audit	<u>1,000</u>
Total Expenses	<u>50,000</u>
Net income (loss)	<u><u>\$ -</u></u>

Asylum Access

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Grant Number	Total Federal Expenditures
<b>Direct Awards:</b>					
Department of State Programs:					
Overseas Refugee Assistance Program for Western Hemisphe:	19.518	Not Applicable	Not Applicable	S-PRMCO-14-CA-1109	\$ 1,015,341
Overseas Refugee Assistance Program for East Asia	19.511	Not Applicable	Not Applicable	S-PRMCO-14-CA-1183	286,849
Total Department of State Programs direct awards					1,302,190
<b>Pass-through Awards from:</b>					
Department of State Programs:					
National Endowment for Democracy	19.345	2015-889	Not Applicable	S-LMAQM-15-GR-1005	62,000
Total Department of State Programs pass-through award					62,000
Total Expenditures of Federal Awards					\$ 1,364,190

See accompanying notes to schedule of expenditures of federal awards.

## Asylum Access

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2016

#### NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, change in net assets or cash flows of the Organization.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reporting on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, Cost Principles for Non-profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Catalogue of Federal Domestic Assistance numbers and pass-through entity identification numbers are presented where available.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Asylum Access

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Asylum Access (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report dated February 13, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Asylum Access's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Asylum Access's internal control. Accordingly, we do not express an opinion on the effectiveness of Asylum Access's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Asylum Access's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control over compliance and the results of that testing, and do not provide an opinion on the effectiveness of the Organization's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*DZH Phillips LLP*

San Francisco, California,  
February 13, 2017

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
Asylum Access

**Report on Compliance for Each Major Federal Program**

We have audited Asylum Access's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Asylum Access's major federal programs for the year ended June 30, 2016. Asylum Access's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Asylum Access's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Asylum Access's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Asylum Access's compliance with those requirements.

**Opinion on Each Major Federal Program**

In our opinion, Asylum Access complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (continued)

**Report on Internal Control Over Compliance**

Management of Asylum Access is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Asylum Access's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Asylum Access's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*DZH Phillips LLP*

San Francisco, California  
February 13, 2017



Asylum Access

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2016

**SUMMARY OF AUDITORS' RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Asylum Access (the "Organization") were prepared in accordance with GAAP.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Organization were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for the Organization expresses an unmodified opinion.
6. There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) in this Schedule.
7. The program tested as major programs were:  
19.518 Overseas Refugee Program for the Western Hemisphere
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Organization was determined to not be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENT AUDIT**

NONE

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

NONE

**STATUS OF PRIOR YEAR FINDINGS**

No prior year findings reported by previous auditor.