



# **Asylum Access**

## **Financial Statements**

**For the years ended  
June 30, 2019 and 2018**

With Independent Auditors' Report Thereon

# Asylum Access

(A California Not-for-Profit Corporation)

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**Asylum Access**  
555 12<sup>th</sup> Street, 5<sup>th</sup> Floor  
Oakland, California 94607  
(510)891-8700  
Web Site Address: [www.asylumaccess.org](http://www.asylumaccess.org)



Regalia & Associates

OFFICE: 925.314.0390  
WEB: WWW.MRCPA.COM

CERTIFIED PUBLIC ACCOUNTANTS  
103 TOWN & COUNTRY DRIVE, SUITE K, DANVILLE, CALIFORNIA 94526  
DOUGLAS REGALIA, CPA  
LISA PARKER, CPA [inactive]  
JEANNINE REGALIA, CPA  
LISA CLOVEN, CPA  
JENNY SO, CPA  
JENNIFER JENSEN  
ANITA EVANS  
DANA CHAVARRIA, CPA  
TRICIA WILSON  
VALERIE REGALIA, CPA  
WENDY THOMAS, CPA  
SUSAN REGALIA, CPA  
RACHEL BERGER, CPA  
ROELEEN JOOSTE, CPA

**INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Asylum Access

We have audited the accompanying financial statements of Asylum Access (a California nonprofit organization) which comprise the statements of financial position as of June 30, 2019 and 2018 and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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

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

***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asylum Access as of June 30, 2019, 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.

3rd Draft

Danville, California  
January 27, 2020

## Asylum Access

### Statements of Financial Position June 30, 2019 and 2018

#### Assets

	2019	2018
Current assets:		
Cash and cash equivalents	\$1,047,562	\$ 201,524
Receivables	543,239	561,597
Prepaid expenses	4,753	8,458
Total current assets:	<u>1,595,554</u>	<u>771,579</u>
Noncurrent assets:		
Property and equipment, net of accumulated depreciation	2,936	-
Deposits	9,741	7,028
Total noncurrent assets	<u>12,677</u>	<u>7,028</u>
Total assets	<u>\$1,608,231</u>	<u>\$ 778,607</u>

#### Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 33,600	\$ 31,446
Accrued payroll liabilities	117,927	72,160
Total current liabilities	<u>151,527</u>	<u>103,606</u>
Long-term liabilities:		
Deferred revenue	88,901	20,991
Total long-term liabilities	<u>88,901</u>	<u>20,991</u>
Total liabilities	<u>240,428</u>	<u>124,597</u>
Net assets:		
Without donor restrictions:		
Undesignated	562,425	109,928
Board designated for operating reserve	265,026	61,993
With donor restrictions	540,352	482,089
Total net assets	<u>1,367,803</u>	<u>654,010</u>
Total liabilities and net assets	<u>1,608,231</u>	<u>778,607</u>

## Asylum Access

### Statements of Activities and Changes in Net Assets For the Years Ended June 30, 2019 and 2018

	June 30, 2019			June 30, 2018		
	Net Assets			Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Government grants	\$ 486,126	\$ -	\$ 486,126	\$ 619,292	\$ -	\$ 619,292
Contributions	925,311	35,000	960,311	161,153	-	161,153
Foundation and corporate grants	438,442	779,726	1,218,168	930,605	807,347	1,737,952
Interest and dividends	278	-	278	119	-	119
In-kind donations	3,294	-	3,294	-	-	-
Other income	5,608	-	5,608	6,755	-	6,755
Net assets released from restrictions	756,463	(756,463)	-	1,181,800	(1,181,800)	-
Total revenue and support	2,615,522	58,263	2,673,785	2,899,724	(374,453)	2,525,271
Expenses:						
Programs	1,359,756	-	1,359,756	2,184,195	-	2,184,195
Management and general	393,756	-	393,756	471,574	-	471,574
Fundraising	206,480	-	206,480	310,036	-	310,036
Total expenses	1,959,992	-	1,959,992	2,965,805	-	2,965,805
Increase (decrease) in net assets	655,530	58,263	713,793	(66,081)	(374,453)	(440,534)
Net assets at beginning of year	171,921	482,089	654,010	238,002	856,542	1,094,544
Net assets at end of year	\$ 827,451	\$ 540,352	\$ 1,367,803	\$ 171,921	\$ 482,089	\$ 654,010

## Asylum Access

### Statements of Cash Flows For the Years Ended June 30, 2019 and 2018

	2019	2018
<i>Cash flows from operating activities:</i>		
Increase (decrease) in net assets	\$ 713,793	\$ (440,534)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	1,061	3,605
Foreign currency exchange (gain) loss	(10,727)	13,890
Loss on disposition of property and equipment	-	8,555
Changes in:		
Receivables	29,085	443,362
Prepaid expenses	3,705	24,914
Deposits	(2,713)	7,440
Accounts payable and accrued liabilities	2,154	(25,105)
Accrued payroll liabilities	45,767	(41,460)
Deferred revenue	67,910	(260,175)
Net cash provided by (used for) operating activities	850,035	(265,508)
 <i>Cash flows from investing activities:</i>		
Disposition (acquisition) of property and equipment	(3,997)	4,525
Net cash provided by (used for) investing activities	(3,997)	4,525
 Increase (decrease) in cash and cash equivalents	 846,038	 (260,983)
Cash and cash equivalents at beginning of year	201,524	462,507
 Cash and cash equivalents at end of year	 \$1,047,562	 \$ 201,524
 <i>Supplemental Disclosures:</i>		
Interest expense	\$ -	\$ -
State registration taxes paid	\$ 150	\$ 150

## Asylum Access

### Statement of Functional Expenses For the Year Ended June 30, 2019

	Program Services						Supporting Services			Totals
	Individual- ized Legal Assistance	National Policy Advocacy	Global Advocacy	National Strategic Litigation	Asylum Access Global Services	Community Legal Empower- ment	Total Programs	Manage- ment and General	Fundraising	
<u>Compensation</u>										
Salaries and wages	441,057	96,742	30,050	22,211	73,405	122,586	786,051	218,295	147,176	<b>1,151,522</b>
Payroll taxes	66,632	5,756	2,129	1,859	5,228	5,485	87,089	19,669	10,380	<b>117,138</b>
Benefits	39,163	7,207	2,923	2,363	7,547	6,012	65,215	16,499	14,713	<b>96,427</b>
Total compensation	<b>546,852</b>	<b>109,705</b>	<b>35,102</b>	<b>26,433</b>	<b>86,180</b>	<b>134,083</b>	<b>938,355</b>	<b>254,463</b>	<b>172,269</b>	<b>1,365,087</b>
Accounting services	566	346	94	64	170	371	1,611	24,644	375	<b>26,629</b>
Advertising and promotion	64	36	13	8	27	37	185	121	54	<b>360</b>
Bank fees	840	515	230	201	489	417	2,692	3,024	2,305	<b>8,022</b>
Book subscriptions	64	67	32	19	68	38	288	161	136	<b>584</b>
Conferences/conventions/meetings	13,645	2,581	1,248	3,210	1,705	7,258	29,647	5,288	2,807	<b>37,742</b>
Corporate fees	5,542	1,325	58	68	-	3,019	10,012	1,357	131	<b>11,500</b>
Currency conversion/other expenses	124	107	51	30	109	1,160	1,581	16,654	(24,878)	<b>(6,642)</b>
Depreciation	1,061	-	-	-	-	-	1,061	-	-	<b>1,061</b>
Dues, licenses, services fees	47	12	3,500	1	-	25	3,585	9	1	<b>3,595</b>
Equipment and furnishings	8,041	498	481	2,076	2,462	2,592	16,150	2,206	525	<b>18,881</b>
Equipment rental and maintenance	1,457	400	119	95	228	453	2,752	694	484	<b>3,929</b>
Grants	-	-	-	-	-	2,500	2,500	-	-	<b>2,500</b>
Information technology	1,404	437	206	361	474	559	3,441	1,288	885	<b>5,614</b>
Insurance	2,301	2,364	1,109	659	2,376	1,361	10,170	5,664	4,755	<b>20,589</b>
Interpreters and other contractors	63,000	11,243	7,163	4,049	9,451	18,436	113,342	39,576	16,669	<b>169,587</b>
Legal fees	1,979	141	47	31	145	236	2,579	522	186	<b>3,287</b>
Occupancy	52,771	8,067	2,307	8,838	4,347	20,740	97,070	21,008	9,378	<b>127,457</b>
Postage and shipping	1,739	120	54	83	114	146	2,256	388	391	<b>3,035</b>
Printing and copying	2,144	272	69	159	104	805	3,553	538	1,230	<b>5,321</b>
Staff development	826	296	71	46	138	438	1,815	455	293	<b>2,563</b>
Supplies	10,094	701	37	646	10	3,115	14,603	1,028	97	<b>15,728</b>
Telephone	4,146	326	59	240	275	1,120	6,166	591	210	<b>6,967</b>
Travel	56,440	5,977	4,141	2,157	12,605	13,022	94,342	14,077	18,177	<b>126,596</b>
Total expenses	<b>775,147</b>	<b>145,536</b>	<b>56,191</b>	<b>49,474</b>	<b>121,477</b>	<b>211,931</b>	<b>1,359,756</b>	<b>393,756</b>	<b>206,480</b>	<b>1,959,992</b>

## Asylum Access

### Statement of Functional Expenses For the Year Ended June 30, 2018

	Program Services					Supporting Services			
	Legal Assistance	Policy Advocacy	Movement Building	Strategic Litigation	Community Legal Empowerment	Total Programs	Management and General	Fundraising	Totals
<u>Compensation</u>									
Salaries and wages	\$ 651,011	\$ 229,374	\$ 209,273	\$ 34,392	\$ 195,740	\$ 1,319,790	\$ 268,515	\$ 225,920	\$ 1,814,225
Payroll taxes	69,427	18,233	16,010	2,880	14,754	121,304	25,423	16,795	163,522
Benefits	56,662	19,719	20,200	3,530	12,312	112,423	24,658	20,088	157,169
Total compensation	777,100	267,326	245,483	40,802	222,806	1,553,517	318,596	262,803	2,134,916
Accounting services	-	-	-	-	-	-	34,025	607	34,632
Advertising and promotion	15	3	1	-	7	26	3	96	125
Bank fees	1,542	497	265	72	363	2,739	9,126	315	12,180
Book subscriptions	89	-	-	-	28	117	-	-	117
Conferences/conventions/meetings	22,686	11,694	1,165	144	14,851	50,540	1,436	609	52,585
Corporate fees	5,451	1,065	195	33	2,949	9,693	1,463	353	11,509
Currency conversion/other expenses	1,985	640	407	45	7,666	10,743	27,307	252	38,302
Depreciation	503	675	670	124	237	2,209	654	742	3,605
Due, licenses, services fees	709	1,752	693	124	398	3,676	668	739	5,083
Equipment and furnishings	3,759	495	169	543	1,017	5,983	969	682	7,634
Equipment rental and maintenance	4,727	1,492	779	117	1,663	8,778	945	667	10,390
Grants	657	155	30	6	64	912	67	21	1,000
Information technology	5,362	875	825	153	1,478	8,693	804	913	10,410
Insurance	3,174	4,254	4,222	782	1,497	13,929	4,119	4,673	22,721
Interpreters and other contractors	62,858	10,542	7,508	1,116	21,517	103,541	29,795	5,852	139,188
Legal services	33,476	135	134	25	248	34,018	(5,504)	149	28,663
Occupancy	103,063	27,452	15,718	6,326	28,122	180,681	31,376	16,991	229,048
Postage and shipping	3,925	774	369	86	372	5,526	528	617	6,671
Printing and copying	4,306	2,211	1,353	51	1,490	9,411	422	2,016	11,849
Staff development	3,125	808	666	53	1,572	6,224	1,719	810	8,753
Supplies	12,851	2,984	1,500	236	5,401	22,972	2,054	1,140	26,166
Telephone	16,086	4,511	1,800	377	4,252	27,026	2,566	1,556	31,148
Travel	53,682	31,214	16,725	3,746	17,874	123,241	8,436	7,433	139,110
Total expenses	\$ 1,121,131	\$ 371,554	\$ 300,677	\$ 54,961	\$ 335,872	\$ 2,184,195	\$ 471,574	\$ 310,036	\$ 2,965,805



### Notes to Financial Statements June 30, 2019 and 2018

#### 1. Organization

Asylum Access (a California tax-exempt, non-profit corporation) is a global leader in refugee human rights. Asylum Access has 13 offices around the world. Asylum Access has a track record of global and national-level policy change, coupled with legal assistance and community support, and has directly impacted more than one million refugees worldwide.

Asylum Access believes all refugees deserve a fair chance at a new life. All over the world, Asylum Access challenges barriers that keep refugees from living safely, moving freely, working and attending school – because when refugees can rebuild their lives, nations thrive. Asylum Access' unique combination of six integrated strategies provides grassroots assistance and changes the legal landscape for refugees and their host communities. More information is available on the organization's website at [www.asylumaccess.org](http://www.asylumaccess.org).

#### 2. Summary of Significant Accounting Policies

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

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

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

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

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

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

*(continued)*

**Notes to Financial Statements  
June 30, 2019 and 2018**

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

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

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

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

Level 1

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

Level 2

Other observable inputs, either directly or indirectly, including:

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

Level 3

Unobservable inputs that cannot be corroborated by observable market data.

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

*(continued)*

**Notes to Financial Statements  
June 30, 2019 and 2018**

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

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

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

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

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

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

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

*(continued)*

**Notes to Financial Statements  
June 30, 2019 and 2018**

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

**Revenue and Revenue Recognition** - Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. When applicable, revenue earned under a contractual arrangement (an “exchange transaction”) is recognized when earned and therefore measured as services are provided.

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

**Comparative Financial Information** - The accompanying financial statements include certain prior-year summarized comparative information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2018, from which the summarized information was derived.

**Functional Expenses** - The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis. A majority of expenses (such as salaries and wages, rent and utilities, insurance, and other overhead) have been allocated based on time and effort using Asylum Access’ payroll allocations. Other expenses (such as professional services and other direct costs) have been allocated in accordance with the specific services received from vendors.

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

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

*(continued)*

**Notes to Financial Statements  
June 30, 2019 and 2018**

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

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

**Recent and Relevant Accounting Pronouncements** – The following pronouncements became effective for fiscal years beginning subsequent to December 15, 2017:

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

In February 2016, the FASB issued *ASU 2016-02, Leases (Topic 842) Accounting for Leases*, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by *ASU No. 2018-01, ASU No. 2018-10, and ASU No. 2018-11*. This new pronouncement is effective for fiscal years beginning after December 15, 2018.

The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statements of financial position for all leases with a term longer than 12 months. Leases are required to be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statements of activities and changes in net assets.

In August 2014, the FASB issued *ASU 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires an organization's management to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). As of January 27, 2020 (the date of the Independent Auditors' Report), Asylum Access management has made this evaluation and has determined that the Company has the ability to continue as a going concern.

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

## Asylum Access

### Notes to Financial Statements June 30, 2019 and 2018

#### 3. Cash and Cash Equivalents

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

	<b>2019</b>	<b>2018</b>
Checking accounts-domestic operations (noninterest-bearing)	\$ 570,620	\$ 91,141
Checking accounts-foreign operations (noninterest-bearing)	117,701	43,951
Business market savings	347,635	64,967
Petty cash and others (noninterest-bearing)	11,606	1,465
Total cash and cash equivalents	<b>\$ 1,047,562</b>	<b>\$ 201,524</b>

Fund on deposit in business market savings account bear interest at the rate of 0.02% per annum at June 30, 2019 and 2018. At certain times during the year, domestic deposits may exceed federally insurance limits. Asylum Access attempts to minimize its credit risk associated with cash equivalents in the United States by utilizing highly rated financial institutions.

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

Receivables consist of the following at June 30:

	<b>2019</b>	<b>2018</b>
Accounts receivable	\$ 8,773	\$ 1,643
Pledges receivable	40,000	60,000
Grants receivable	494,466	499,954
Total cash and cash equivalents	<b>\$ 543,239</b>	<b>\$ 561,597</b>

Asylum Access uses the direct write-off method with regards to grants and pledges receivable which are deemed to be uncollectible. There were no bad debt write-offs involving grants and pledges receivable for the years ended June 30, 2019 and 2018. Management has evaluated the grants and pledges receivable as of June 30, 2019 and determined that such amounts are fully collectible based on the financial strength of the donors involved.

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

Financial statement presentation follows the recommendations of *ASC 710.25, Compensated Absences*. Under ASC 710.25, Asylum Access is required to record a liability for the estimated amounts of compensation for future absences. Employees are permitted to accrue a specific number of hours of vacation which is payable upon termination of the employee. Annual leave accruals are recorded in the financial statements as an accrued liability based on hourly rates in effect at the end of the fiscal year. Accrued vacation amounted to \$60,670 and \$45,154 at June 30, 2019 and 2018, respectively. Other accrued payroll liabilities amounted to \$57,257 and \$27,006 at June 30, 2019 and 2018, respectively.

## Asylum Access

### Notes to Financial Statements June 30, 2019 and 2018

#### 6. Fair Value Measurements

Composition of assets utilizing fair value measurements at June 30, 2019 is as follows:

	<b>Totals</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Cash and cash equivalents	\$ 1,047,562	\$ 1,047,562	\$ -	\$ -
Accounts receivable	8,773	-	8,773	-
Pledges receivable	40,000	-	40,000	-
Grants receivable	494,466	-	494,466	-
Totals	<u>\$ 1,590,801</u>	<u>\$ 1,047,562</u>	<u>\$ 543,239</u>	<u>\$ -</u>

Composition of assets utilizing fair value measurements at June 30, 2018 is as follows:

	<b>Totals</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Cash and cash equivalents	\$ 201,524	\$ 201,524	\$ -	\$ -
Accounts receivable	1,643	-	1,643	-
Pledges receivable	60,000	-	60,000	-
Grants receivable	499,954	-	499,954	-
Totals	<u>\$ 763,121</u>	<u>\$ 201,524</u>	<u>\$ 561,597</u>	<u>\$ -</u>

Fair value measurements establish a fair value hierarchy that prioritizes the input used to measure fair value. This hierarchy consists of three broad levels: (a) Level 1 measurement reflects the value of the investments at quoted prices in active markets for identical assets, generally without any adjustments, (b) Level 2 assets and liabilities are valued based on "observable inputs" other than quoted active market prices, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and interest rates and yield curves, and (c) Level 3 assets and liabilities are valued based on "unobservable inputs," such as a company's own estimates and pricing models. Asylum Access had no assets classified as Level 3 at June 30, 2019 and 2018.

#### 7. Property and Equipment

Property and equipment consist of the following at June 30, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Equipment	<u>\$ 6,648</u>	\$ 4,953
Renovation	<u>2,302</u>	-
Total property and equipment	<u>8,950</u>	4,953
Less accumulated depreciation	<u>(6,014)</u>	(4,953)
Total property and equipment (net)	<u>\$ 2,936</u>	<u>\$ -</u>

Total depreciation expense amounted to \$1,061 and \$3,605 for the years ended June 30, 2019 and 2018, respectively, and is reflected on the statement of functional expenses. During the year ended June 30, 2018, all components of property and equipment in the US headquarters were sold. There were no disposals for the year ended June 30, 2019.

## Asylum Access

### Notes to Financial Statements June 30, 2019 and 2018

#### 8. Liquidity

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

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

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

Cash and cash equivalents	\$ 1,047,562
Accounts receivable	8,773
Pledges receivable	40,000
Grants receivable	494,466
Total financial assets	<u>1,590,801</u>
Less: amounts not available to be used within one year:	
Net assets with donor restrictions for programs	<u>(540,352)</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 1,050,449</u>

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

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

#### 9. Government Contracts and Concentration Vulnerability

Asylum Access has historically engaged with the United States Department of State to provide programs enhancing human rights in Africa, Asia, and Latin America. The value of these secured Department of State government contracts amounted to \$486,126 and \$619,292 for the years ended June 30, 2019 and 2018, respectively. The reduction from 2018 to 2019 is due to the loss of a large government grant which supported Asylum Access' operations in Ecuador. Although the magnitude of the government contracts has been (and continues to be) significant, Asylum Access believes it will continue to receive funding from such contracts into the foreseeable future.



## Asylum Access

### Notes to Financial Statements June 30, 2019 and 2018

#### 10. Net Assets

##### Net Assets Without Donor Restrictions

Net assets without donor restrictions (previously unrestricted net assets) of \$827,451 and \$171,921 at June 30, 2019 and 2018, respectively, represent the cumulative operating surpluses of Asylum Access since its inception. In a previous fiscal year, the Board of Directors established a Board-designated operating reserve. As of June 30, 2019 and 2018, the balance amounted to \$265,026 and \$61,993, respectively.

##### Net Assets with Donor Restrictions

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

<b>Restricted For:</b>	<b>2019</b>	<b>2018</b>
Development Director	\$ 25,000	\$ 60,095
Future operations	40,000	34,826
Global Services	366,383	250,198
Growth Campaign	40,000	60,000
Hospitality Route Program	-	20,407
Malaysian	35,000	-
Mexico	33,969	-
Middle East Expansion Pilot	-	31,563
Southeast Asia	-	25,000
Totals	<u>\$ 540,352</u>	<u>\$ 482,089</u>

During the years ended June 30, 2019 and 2018, Asylum Access received donor restricted contributions of \$814,726 and \$807,347, respectively. Net assets released from restrictions amounted to \$756,463 and \$1,181,800 during the years ended June 30, 2019 and 2018, respectively.

#### 11. In-Kind Contributions

Asylum Access recognizes donated materials which create and enhance non-financial assets or that require specialized skills. During the year ended June 30, 2019, Asylum Access was the recipient of certain in-kind contributions which satisfied the provisions of under *ASC 958.605.30-11 Revenue Recognition of Not-For-Profit Entities* and these donated services and materials were recorded at their estimated fair market values as program and supporting revenues and expenses. The values of these contributions as reflected on the statement of activities and changes in net assets amounted to \$3,294. There were no such donated materials for the year ended June 30, 2018.

A substantial number of unpaid volunteers have made significant contributions of time to various departments or programs of Asylum Access. The value of this contributed time is not reflected in the financial statements because it is not susceptible to objective measurement or valuation and therefore did not meet the criteria for recognition under ASC 958.605.30-11.

## Asylum Access

### Notes to Financial Statements June 30, 2019 and 2018

#### 12. Charities Aid Foundation (CAF) Donation on Behalf of Clifford Chance

A schedule of activity for the CAF donation to Asylum Access on behalf of Clifford Chance is summarized as follows for the years ended June 30:

	2019	2018
Grant award released from restriction	\$ 105,888	\$ 69,721
Expenses:		
Operating costs	3,146	35,161
Personnel	89,343	16,288
Professional services	2,915	-
Rent	-	6,855
Travel and meetings	10,484	11,417
Total expenses	105,888	69,721
Net	\$ -	\$ -

#### 13. Lease Commitments

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

As of June 30, 2019, the headquarters lease in Oakland is under a month-to-month operating lease agreement which requires a monthly remittance of \$2,655.

Office leases for the field offices in foreign locations require monthly remittances ranging from \$236 to \$1,437 (amounts are estimated based on local monetary units and conversion factors).

Asylum Access is also obligated under certain equipment leases with monthly rental payments ranging from \$30 to \$160. These leases have commitment periods running through June 30, 2021.

As of June 30, 2019, minimum annual payments on all operating leases for the next five years with written agreements extending beyond one year are as follows: Amounts due during year ending June 30, 2020: \$6,441; and Amounts due during year ending June 30, 2021: \$1,366. Total rent expense for all rental contracts amounted to \$116,039 and \$198,539 for the years ended June 30, 2019 and 2018, respectively.

**Notes to Financial Statements  
June 30, 2019 and 2018**

**14. Commitments and Contingencies**

In the normal course of business there are outstanding various commitments and contingent liabilities, such as commitments to enter into contracts and future funding agreements, which are not reflected in the financial statements.

Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) Grant restrictions and donor conditions which obligate Asylum Access to fulfill certain requirements as set forth in grant instruments, (b) Funding levels which vary based on factors beyond Asylum Access' control, such as generosity of donors and general economic conditions, (c) Employment and service agreements with key management personnel, including executive officers of the organization, and (d) Financial risks associated with funds on deposit in accounts at financial institutions.

Certain of the grants and contracts (including current and prior costs) are subject to adjustment upon review and final acceptance by the granting agency. Management believes that such commitments, contingencies and risks will not have a material adverse effect on the financial statements.

**15. Subsequent Events**

In compliance with *ASC 855, Subsequent Events*, Asylum Access has evaluated subsequent events through January 27, 2020, the date the financial statements were available to be issued and, in the opinion of management, there are no subsequent events which need to be disclosed.