

ASIAN ACCESS LIFE MINISTRIES
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

**ASIAN ACCESS LIFE MINISTRIES
TABLE OF CONTENTS
SEPTEMBER 30, 2020**

INDEPENDENT AUDITOR'S REPORT	1 – 2
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES – 2020	4
STATEMENT OF ACTIVITIES – 2019	5
STATEMENT OF FUNCTIONAL EXPENSES – 2020	6
STATEMENT OF FUNCTIONAL EXPENSES – 2019	7
STATEMENT OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9 – 17



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Asian Access Life Ministries

We have audited the accompanying financial statements of Asian Access Life Ministries (a nonprofit corporation), which comprise the statements of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the fiscal 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.

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 audit to obtain reasonable assurance about whether the financial statements are free of 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 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 Asian Access Life Ministries as of September 30, 2020, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "William Harris CPA". The signature is written in a cursive style.

William Harris, CPA
License Number #103005

Arcadia, California
May 7, 2021

ASIAN ACCESS LIFE MINISTRIES
STATEMENT OF FINANCIAL POSITION
As of September 30, 2020 and 2019

ASSETS		<u>2020</u>	<u>2019</u>
CURRENT ASSETS			
Cash	\$	1,082,179	\$ 827,832
Advances Receivable		4,592	40,138
Accounts Receivable		4,913	35,978
Pledges Receivable		-	15,155
Deposits and Prepaid Expenses		2,604	40,054
TOTAL CURRENT ASSETS		<u>1,094,288</u>	<u>959,157</u>
NONCURRENT ASSETS			
Land: Japan		562,223	562,223
Building: Japan		1,027,506	1,027,506
Furniture and Equipment:			
USA		38,288	39,023
Japan		8,375	8,375
Accumulated Depreciation		(609,576)	(573,944)
TOTAL NONCURRENT ASSETS		<u>1,026,816</u>	<u>1,063,183</u>
TOTAL ASSETS	\$	<u>2,121,104</u>	\$ <u>2,022,340</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	\$	42,753	\$ 54,644
Accrued Liabilities		168,276	182,016
TOTAL CURRENT LIABILITIES		<u>211,029</u>	<u>236,660</u>
NONCURRENT LIABILITIES			
Note Payable - SBA / PPP Loan		259,800	-
TOTAL NONCURRENT LIABILITIES		<u>259,800</u>	<u>-</u>
TOTAL LIABILITIES		<u>470,829</u>	<u>236,660</u>
NET ASSETS			
Net Assets Without Donor Restrictions		614,140	972,563
Net Assets With Donor Restrictions		1,036,135	813,117
TOTAL NET ASSETS		<u>1,650,275</u>	<u>1,785,680</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>2,121,104</u>	\$ <u>2,022,340</u>

See Accompanying Auditor's Report and Notes.

ASIAN ACCESS LIFE MINISTRIES
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT			
Contributions and Grants	\$ 769,071	\$ 1,976,811	\$ 2,745,882
REVENUE AND OTHER INCOME			
Enrollment Fees	76,145	-	76,145
Foreign Exchange Gain (Loss)	12,285	-	12,285
Field Support Income	50,256	-	50,256
Interest and Other Income	63,096	-	63,096
TOTAL REVENUE AND OTHER INCOME	201,782	-	201,782
NET ASSETS WITH DONOR RESTRICTIONS			
Restrictions Satisfied by Payments	1,753,793	(1,753,793)	-
TOTAL PUBLIC SUPPORT, REVENUE, AND OTHER INCOME	2,724,646	223,018	2,947,664
OPERATING EXPENSE			
Program Expenses	2,184,182	-	2,184,182
Management and General	489,319	-	489,319
Fundraising	409,568	-	409,568
TOTAL OPERATING EXPENSE	3,083,069	-	3,083,069
CHANGE IN NET ASSETS	(358,423)	223,018	(135,405)
NET ASSETS - Beginning of the Year	972,563	813,117	1,785,680
NET ASSETS - End of the Year	\$ 614,140	\$ 1,036,135	\$ 1,650,275

See Accompanying Auditor's Report and Notes.

ASIAN ACCESS LIFE MINISTRIES
STATEMENT OF ACTIVITIES
For the Year Ended September 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT			
Contributions and Grants	\$ 882,369	\$ 1,838,573	\$ 2,720,942
REVENUE AND OTHER INCOME			
Enrollment Fees	42,432	-	42,432
Foreign Exchange Gain (Loss)	18,481	-	18,481
Field Support Income	51,846	-	51,846
Interest and Other Income	86,351	-	86,351
TOTAL REVENUE AND OTHER INCOME	199,110	-	199,110
NET ASSETS WITH DONOR RESTRICTIONS			
Restrictions Satisfied by Payments	1,648,440	(1,648,440)	-
TOTAL PUBLIC SUPPORT, REVENUE, AND OTHER INCOME	2,729,919	190,133	2,920,052
OPERATING EXPENSE			
Program Expenses	2,715,823	-	2,715,823
Management and General	495,979	-	495,979
Fundraising	443,780	-	443,780
TOTAL OPERATING EXPENSE	3,655,582	-	3,655,582
CHANGE IN NET ASSETS	(925,663)	190,133	(735,530)
NET ASSETS - Beginning of the Year	1,898,226	622,984	2,521,210
NET ASSETS - End of the Year	\$ 972,563	\$ 813,117	\$ 1,785,680

See Accompanying Auditor's Report and Notes.

ASIAN ACCESS LIFE MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2020

	Program Activities		Supporting Activities		Total Expense
	Mission Services	Management & General	Fund- raising		
OPERATING EXPENSE					
Salaries & Benefits	\$ 1,333,551	\$ 379,916	\$ 295,624	\$	2,009,091
Outside Services	48,024	30,340	32,271		110,635
Travel, Conferences, and Meetings	399,501	25,629	51,333		476,463
Depreciation	30,017	8,744	2,979		41,740
Disaster Relief	120,868	-	-		120,868
Insurance	5,499	8,892	1,132		15,523
Marketing and Donor Support	71,748	10,367	17,271		99,386
Ministry Grants	52,469	-	-		52,469
Office Expense	46,301	14,197	4,660		65,158
Rent & Utilities	48,259	8,197	3,660		60,116
Staff Development	22,941	3,037	638		26,616
Miscellaneous	5,004	-	-		5,004
TOTAL OPERATING EXPENSE	\$ 2,184,182	\$ 489,319	\$ 409,568	\$	3,083,069

See Accompanying Auditor's Report and Notes.

ASIAN ACCESS LIFE MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2019

	Program Activities		Supporting Activities		Total Expense
	Mission Services	Management & General	Fund- raising		
OPERATING EXPENSE					
Salaries & Benefits	\$ 1,418,541	\$ 363,099	\$ 285,931	\$	2,067,571
Travel, Conferences, and Meetings	853,715	36,767	86,105		976,587
Outside Services	57,068	33,893	33,691		124,652
Depreciation	28,616	11,769	1,424		41,809
Disaster Relief	59,253	-	-		59,253
Marketing and Donor Support	74,376	7,825	26,747		108,948
Ministry Grants	78,741	-	-		78,741
Office Expense	51,432	28,944	4,961		85,337
Rent & Utilities	59,401	10,959	1,861		72,221
Staff Development	33,525	2,723	2,460		38,708
Miscellaneous	1,155	-	600		1,755
TOTAL OPERATING EXPENSE	\$ 2,715,823	\$ 495,979	\$ 443,780	\$	3,655,582

See Accompanying Auditor's Report and Notes.

ASIAN ACCESS LIFE MINISTRIES
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2020 and 2019

	2020	2019
CASH FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (135,405)	\$ (735,530)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided \ (Used) by Operating Activities;		
Depreciation	41,740	41,809
Change in Advances Receivable	35,546	15,298
Change in Accounts Receivable	31,065	(3,951)
Change in Pledges Receivable	15,155	58,302
Change in Deposits and Prepaid Expenses	37,450	(10,515)
Change in Accounts Payable	(11,891)	(7,463)
Change in Accrued Liabilities	(13,740)	29,868
	<u>(80)</u>	<u>(612,182)</u>
NET CASH PROVIDED \ (USED) BY OPERATING ACTIVITIES	<u>(80)</u>	<u>(612,182)</u>
CASH FROM INVESTING ACTIVITIES:		
Change in Property and Equipment	(5,373)	(15,219)
	<u>(5,373)</u>	<u>(15,219)</u>
NET CASH PROVIDED \ (USED) BY INVESTING ACTIVITIES	<u>(5,373)</u>	<u>(15,219)</u>
CASH FROM FINANCING ACTIVITIES:		
Net Increase in Note Payable - SBA / PPP Loan	259,800	-
	<u>259,800</u>	<u>-</u>
NET CASH PROVIDED \ (USED) BY FINANCING ACTIVITIES	<u>259,800</u>	<u>-</u>
NET INCREASE \ (DECREASE) IN CASH	254,347	(627,401)
CASH - Beginning of the Year	<u>827,832</u>	<u>1,455,233</u>
CASH - Ending of the Year	<u>\$ 1,082,179</u>	<u>\$ 827,832</u>

See Accompanying Auditor's Report and Notes.

**ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 and 2019**

NOTE 1 **NATURE OF ORGANIZATION**

Asian Access Life Ministries (the Organization or Asian Access) is incorporated in California under the Nonprofit Religious Corporation Law, exclusively for religious purposes. It is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code.

Asian Access exists to identify, develop, and release emerging kingdom leaders to unite the church, multiply leaders and congregations, and extend the transforming power of the Gospel of Jesus Christ. Leader Development and Church Multiplication are the two major programs operated by the Organization.

The Organization is supported primarily through donor contributions solicited by missionary staff and charitable foundation grants. Grants and contributions are received from donors throughout the United States and internationally. Contributions raised as support for projects and by missionaries were 67.1% and 63% of total support and revenue in the years ended September 30, 2020 and 2019, respectively. Foundation grants are also a large source of income representing approximately 43% and 45.8% in fiscal years ended 2020 and 2019, respectively. A single foundation donor was responsible for total support and revenue of 8.5% and 20.1% in fiscal years ended 2020 and 2019, respectively.

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Method of Accounting

These financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Basis of Accounting

The financial statements are presented based on Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 was effective January 1, 2018.

**ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 and 2019**

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Asian Access and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Asian Access. Asian Access Board of Directors may designate assets without restrictions for specific operational purposes from time to time.

All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of Asian Access or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions

Unconditional contributions are recognized when pledged and 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. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor-restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Asian Access ongoing activities. Nonoperating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 and 2019

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

Cash consists of balances in deposit accounts at financial institutions, primarily a credit union. All unrestricted highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Expense Allocation

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

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Receivable

Contributions, and grants receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no allowance for uncollectible accounts at September 30, 2020 and 2019.

ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 and 2019

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Pledges Receivable

Contribution revenue is recognized when a donor makes a pledge to give to the Organization that is, in substance, unconditional. Unconditional pledges expected to be collected within one year are reported at net realizable value. Those expected to be collected in more than one year are reported at the present value of their estimated future cash flows. Pledges receivable was \$0 and \$15,155 as of September 30, 2020 and 2019, respectively.

Property and Equipment

Property and equipment is recorded at cost or estimated fair value if received by donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Absent donor directions regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Property and equipment are depreciated on the straight-line method over estimated useful lives of 2.5 to 4 years for furniture and equipment and 30 to 40 years for buildings.

Revenues and Expenses

Contribution without donors' restriction are recognized when cash or ownership of donated assets is unconditionally promised to the organization.

Contribution with donors' restriction are recognized as contribution income when cash or ownership of donated assets is unconditionally promised to the Organization and subsequently released to unrestricted net assets when expenses have been incurred in satisfaction of donor stipulated restrictions. When a restricted donation is recognized, a portion is allocated to unrestricted net assets to offset the cost of processing the transaction.

Reclassifications

Certain accounts in the September 30, 2019 have been reclassified for comparative purposes to conform to the September 30, 2020 presentation in the current year financial statements.

Functional Classification of Expenses

The Organization reports its expenses on a functional basis. Expenses that can be specifically identified as program activities or supporting activities are charged directly to that classification. Other expenses that are common to both classifications are allocated based on various relationships.

**ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 and 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The expenses that are allocated including the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries & Benefits	Time and Effort
Travel, Conferences, and Meetings	Time and Effort
Staff Development	Time and Effort
Depreciation	Full Time Equivalent
Office Expense	Full Time Equivalent
Outside Services	Full Time Equivalent
Marketing and Donor Support	Full Time Equivalent
Rent & Utilities	Full Time Equivalent
Disaster Relief	Time and Effort
Ministry Grants	Time and Effort

NOTE 3 ACCOUNTS RECEIVABLE

Asian Access has receivables due from another organization with whom it has a partnership-type arrangement. Under the arrangement, Asian Access pays some expenses of the partner organization's missionaries in Japan. The receivable balances due from the Organization as of September 30, 2020 and 2019 were \$4,913 and \$26,278 respectively.

NOTE 4 RETIREMENT PLAN

A defined-contribution retirement plan is maintained for qualifying employees. The contribution of Asian Access is 2% of eligible salaries and a 2% matching contribution. A third-party administrator oversees plan operations and an unrelated trust company maintains custody of plan assets. Employees fully vest in the employer contributions when made. Expense for the years ended September 30, 2020 and 2019 were \$47,162 and \$49,146, respectively.

ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 and 2019

NOTE 5 **OFFICE RENTAL**

Office space for headquarters facilities is leased in Artesia, California under a lease which expires February 28, 2023. It calls for monthly base rent payments plus a pro rata share of any increase in building operating costs.

Annual rental payments required under the lease in the years ended September 30 are:

2021	\$	31,335
2022		32,275
2023		<u>15,014</u>
Total	\$	<u><u>78,624</u></u>

Rent expense for the years ended September 30, 2020 and 2019 was \$55,698 and \$66,610 respectively.

NOTE 6 **EQUIPMENT LEASES**

The Organization rents copying and mailing equipment in Japan and in the Artesia, California office under terms of operating leases in the years ended September 30 are:

2021	\$	8,485
2022		7,473
2023		6,461
2024		<u>5,384</u>
Total	\$	<u><u>27,803</u></u>

NOTE 7 **INVESTMENT INCOME**

Investment income consisted of \$1,471 and \$3,042 of interest earned in the years ended September 30, 2020 and 2019, respectively.

**ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 and 2019**

NOTE 8 **INCOME TAXES**

The Organization evaluates all significant tax positions as required by generally accepted accounting principles in the United States. As of September 30, 2020, the Organization believes that all its tax positions would be sustainable upon examination by the appropriate taxing jurisdictions. As of September 30, 2020, the Organization's federal returns remain open to examination for the past three years. California returns remain open for four years.

NOTE 9 **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions represent unspent contributions received with donor-imposed stipulations. These restrictions are removed when funds are expended for the purposes specified. The restrictions consist of the following at September 30:

	2020	2019
Leader Development	\$ 899,636	\$ 603,747
Missionaries	75,727	122,051
Japan Ministry	-	10,941
Disaster Relief	43,325	60,196
Eastern Voices Project	-	12,092
Benevolence Fund	17,447	4,090
	\$ 1,036,135	\$ 813,117

NOTE 10 **CONCENTRATION OF CASH**

At September 30, 2020, cash was held in accounts at a credit union in which every account is insured up to \$250,000. This insurance is provided by a private insurance company. It is not secured by any agency of the United States government. Only the reserves of the insurance company are available to pay any claims. At times during the year, bank deposits may exceed insured limits. At September 30, 2020, accounts in the United States did not exceed the limits of deposit insurance based on actual bank balances. Cash balances held in bank accounts in Japan at September 30, 2020 exceeded the insurance limits of the Deposit Insurance Corporation of Japan (DICJ) by \$71,786.

**ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 and 2019**

NOTE 11 **PARTNERSHIP ARRANGEMENT WITH SIM-USA**

Asian Access and SIM-USA entered into a partnership agreement with the goal of sending more church-planting missionaries to Japan. Under this arrangement, SIM-USA assumes responsibility for recruiting missionaries, as well as the U.S.-based care of those missionaries. Asian Access retained the responsibility for championing the overall vision in Japan, managing the strategy of missionary deployment there, and providing in-country missionary care.

Asian Access and SIM-USA are independent and have distinct and separate ministries and boards of directors.

Under this agreement, a number of Asian Access Japan-based missionaries transferred to SIM-USA. Asian Access made grants to SIM-USA related to these transferred missionaries totaling \$29,914 and \$9,401 in the fiscal years ended September 30, 2020 and 2019, respectively.

Asian Access also received fees from SIM-USA to provide support services in Japan. For the years ended September 30, 2020 and 2019; these fees totaled \$45,732 and \$47,322, respectively.

NOTE 12 **PARTNERSHIP ARRANGEMENT WITH SIM-CANADA**

Asian Access and SIM-Canada entered into a partnership agreement with the goal of sending more church-planting missionaries to Japan. Under this agreement, SIM-Canada assumes responsibility for recruiting missionaries, as well as the care of those missionaries in Canada. Asian Access retained responsibility for championing the overall vision in Japan, managing the strategy of missionary deployment there, and providing in-country missionary care.

Asian Access and SIM-Canada are independent and have distinct and separate ministries and boards of directors.

Under this agreement, a number of Asian Access Japan-based missionaries transferred to SIM-Canada. In prior years, Asian Access made grants to SIM-Canada related to these transfers. No such transfers were made in the years ended September 30, 2020 and 2019.

Asian Access receives fees from SIM-Canada to provide support services in Japan. In each of the years ended September 30, 2020 and 2019; these fees totaled \$4,524 for both years, respectively.

**ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 and 2019**

NOTE 13: LIQUIDITY

Asian Access's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 1,082,179
Accounts receivable, net	<u>12,109</u>
	\$ <u><u>1,094,288</u></u>

Asian Access's financial assets are all available for general use as of September 30, 2020. The Organization does not have donor-restricted endowment fund account.

NOTE 14: SUBSEQUENT EVENTS

Events subsequent to September 30, 2020 have been evaluated through May 7, 2021, the date at which Asian Access audited financial statements were available to be issued.

SBA Loans under CARES Act

The Organization received \$259,800 as a loan under the SBA's Paycheck Protection Program (PPP), as authorized under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). In January 2021, the Organization received forgiveness for this loan.

In March 2021, the Organization was informed by its bank that the Small Business Administration (SBA) approved the Organization's request for a second loan under the SBA's Paycheck Protection Program (PPP), as authorized under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Organization signed a promissory note for a PPP loan and, in accordance with the CARES Act, the Organization will use the PPP loan proceeds for eligible costs that should result in forgiveness of the PPP loan.

Except for the events described above, no other events requiring disclosure have occurred through May 7, 2021.