

ASIAN ACCESS LIFE MINISTRIES
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

**ASIAN ACCESS LIFE MINISTRIES
TABLE OF CONTENTS
SEPTEMBER 30, 2021**

INDEPENDENT AUDITOR'S REPORT	1 – 2
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES – 2021	4
STATEMENT OF ACTIVITIES – 2020	5
STATEMENT OF FUNCTIONAL EXPENSES – 2021	6
STATEMENT OF FUNCTIONAL EXPENSES – 2020	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

Report on the Financial Statements

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, 2021, 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, 2021, 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 cursive script that reads "William Harris C.P.A.".

William Harris, CPA
License Number #103005

Arcadia, California
April 13, 2022

ASIAN ACCESS LIFE MINISTRIES
STATEMENT OF FINANCIAL POSITION
As of September 30, 2021 and 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash	\$ 1,338,338	\$ 1,082,179
Advances Receivable	77,750	4,592
Accounts Receivable	1,452	4,913
Deposits and Prepaid Expenses	15,118	2,604
TOTAL CURRENT ASSETS	1,432,658	1,094,288
NONCURRENT ASSETS		
Land	562,223	562,223
Building	1,027,506	1,027,506
Furniture and Equipment:		
USA	103,846	38,288
Japan	-	8,375
Accumulated Depreciation	(646,898)	(609,576)
TOTAL NONCURRENT ASSETS	1,046,677	1,026,816
TOTAL ASSETS	\$ 2,479,335	\$ 2,121,104

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 31,516	\$ 42,753
Accrued Liabilities	206,923	168,276
TOTAL CURRENT LIABILITIES	238,439	211,029
NONCURRENT LIABILITIES		
Note Payable - SBA / PPP Loan	259,827	259,800
TOTAL NONCURRENT LIABILITIES	259,827	259,800
TOTAL LIABILITIES	498,266	470,829
NET ASSETS		
Net Assets Without Donor Restrictions	827,049	614,140
Net Assets With Donor Restrictions	1,154,020	1,036,135
TOTAL NET ASSETS	1,981,069	1,650,275
TOTAL LIABILITIES AND NET ASSETS	\$ 2,479,335	\$ 2,121,104

See Accompanying Auditor's Report and Notes.

ASIAN ACCESS LIFE MINISTRIES
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT			
Contributions and Grants	\$ 459,894	\$ 2,018,745	\$ 2,478,639
REVENUE AND OTHER INCOME			
Enrollment Fees	19,848	-	19,848
Field Support Income	49,125	-	49,125
Foreign Exchange Gain (Loss)	(4,573)	-	(4,573)
Gain on Sale of Equipment	1,052	-	1,052
Interest and Other Income	35,021	-	35,021
TOTAL REVENUE AND OTHER INCOME	100,473	-	100,473
NET ASSETS WITH DONOR RESTRICTIONS			
Restrictions Satisfied by Payments	1,900,860	(1,900,860)	-
TOTAL PUBLIC SUPPORT, REVENUE, AND OTHER INCOME	2,461,227	117,885	2,579,112
OPERATING EXPENSE			
Program Expenses	1,765,747	-	1,765,747
Management and General	385,870	-	385,870
Fundraising	356,501	-	356,501
TOTAL OPERATING EXPENSE	2,508,118	-	2,508,118
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(46,891)	117,885	70,994
NON-OPERATING ACTIVITIES:			
PPP Loan Forgiveness	259,800	-	259,800
CHANGE IN NET ASSETS FROM NON-OPERATING ACTIVITIES	259,800	-	259,800
CHANGE IN NET ASSETS	212,909	117,885	330,794
NET ASSETS - Beginning of the Year	614,140	1,036,135	1,650,275
NET ASSETS - End of the Year	\$ 827,049	\$ 1,154,020	\$ 1,981,069

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 FUNCTIONAL EXPENSES
For the Year Ended September 30, 2021

	Program Activities		Supporting Activities		Total Expense
	Mission Services	Management & General	Fund- raising		
OPERATING EXPENSE					
Salaries & Benefits	\$ 1,275,040	\$ 285,478	\$ 265,766	\$	1,826,284
Travel, Conferences, and Meetings	100,099	5,770	30,494		136,363
Outside Services	46,874	35,614	25,158		107,646
Marketing and Donor Support	61,434	7,753	19,458		88,645
Depreciation	29,082	6,929	4,271		40,282
Disaster Relief	26,826	-	-		26,826
Insurance	5,955	11,371	448		17,774
Ministry Grants	20,338	-	-		20,338
Office Expense	42,914	17,830	6,427		67,171
Rent & Utilities	26,342	6,849	4,118		37,309
Staff Development	14,123	8,276	361		22,760
Miscellaneous	116,720	-	-		116,720
	<u>1,765,747</u>	<u>385,870</u>	<u>356,501</u>	<u>\$</u>	<u>2,508,118</u>
TOTAL OPERATING EXPENSE	\$ 1,765,747	\$ 385,870	\$ 356,501	\$	2,508,118

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
Travel, Conferences, and Meetings	399,501	25,629	51,333		476,463
Outside Services	48,024	30,340	32,271		110,635
Marketing and Donor Support	71,748	10,367	17,271		99,386
Depreciation	30,017	8,744	2,979		41,740
Disaster Relief	120,868	-	-		120,868
Insurance	5,499	8,892	1,132		15,523
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 CASH FLOWS
For the Year Ended September 30, 2021 and 2020

	2021	2020
CASH FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 330,794	\$ (135,405)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided \ (Used) by Operating Activities;		
Depreciation	40,282	41,740
(Gain) on Sale of Equipment	(1,052)	-
Change in Advances Receivable	(73,158)	35,546
Change in Accounts Receivable	3,461	31,065
Change in Pledges Receivable	-	15,155
Change in Deposits and Prepaid Expenses	(12,514)	37,450
Change in Accounts Payable	(11,237)	(11,891)
Change in Accrued Liabilities	38,647	(13,740)
	315,223	(80)
NET CASH PROVIDED \ (USED) BY OPERATING ACTIVITIES		
CASH FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Equipment	1,052	-
Purchase of Property and Equipment	(60,143)	(5,373)
	(59,091)	(5,373)
NET CASH PROVIDED \ (USED) BY INVESTING ACTIVITIES		
CASH FROM FINANCING ACTIVITIES:		
Net Increase in Note Payable - SBA / PPP Loan	27	259,800
	27	259,800
NET CASH PROVIDED \ (USED) BY FINANCING ACTIVITIES		
NET INCREASE \ (DECREASE) IN CASH	256,159	254,347
CASH - Beginning of the Year	1,082,179	827,832
CASH - Ending of the Year	\$ 1,338,338	\$ 1,082,179
 Supplement Information		
Interest Paid During the Year	\$ -	\$ -
Taxes Paid During the Year	\$ -	\$ -

See Accompanying Auditor's Report and Notes.

**ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 and 2020**

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 79.5% and 67.1% of total support and revenue in the years ended September 30, 2021 and 2020, respectively. Foundation grants are also a large source of income representing approximately 22.3% and 43% in fiscal years ended 2021 and 2020, respectively. A single foundation donor was responsible for total support and revenue of 3.9% and 8.5% in fiscal years ended 2021 and 2020, respectively.

In January 2021, the office in Japan has discontinued its general and administrative service for the U.S. main office.

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, 2021 and 2020**

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, 2021 and 2020

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, 2021 and 2020

**ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 and 2020**

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 for both years, 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.

Revenue Recognition

Asian Access adopted ASU No. 2018-08, Not-For-Profit Entities (Topic 958) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The guidance helps distinguish if grants and contracts with resource providers are exchange transactions or contributions. Once a transaction is deemed to be a contribution, the ASU also provides guidance to help determine when a contribution is conditional and evaluates the possibility that a condition will not be met is remote. Unconditional contributions are recognized immediately and classified as either net assets with or without donor restrictions, while conditional contributions received are accounted for a liability until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with or without restrictions. Results for reporting the years ending September 30, 2021 and 2020 are presented under ASU No. 2018-08.

Under ASU 2018-08, revenue from grants and contracts are considered contributions because the resource provider does not receive commensurate value for the consideration received by Asian Access. The resource provider receives value indirectly through societal benefits. Revenue is recognized when Asian Access has overcome the right of return/release and barriers which entitle it to the assets.

Asian Access received a total of \$2,478,639, and \$2,745,882 of donations and grants for the years ended September 30, 2021 and 2020, respectively.

ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 and 2020

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

Contributions

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, 2020 have been reclassified for comparative purposes to conform to the September 30, 2021 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.

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

ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 and 2020

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, 2021 and 2020 were \$1,452 and \$4,913, 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, 2021 and 2020 were \$43,153 and \$47,162, respectively.

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:

2022	\$	32,275
2023		<u>15,014</u>
Total	\$	<u>47,289</u>

Rent expense for the years ended September 30, 2021 and 2020 was \$31,576 and \$55,698 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:

ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 and 2020

NOTE 6 **EQUIPMENT LEASES (Continued)**

2022	\$	7,473
2023		6,461
2024		<u>5,384</u>
Total	\$	<u>19,318</u>

NOTE 7 **INVESTMENT INCOME**

Investment income consisted of \$1,907 and \$1,471 of interest earned in the years ended September 30, 2021 and 2020, respectively.

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, 2021, the Organization believes that all its tax positions would be sustainable upon examination by the appropriate taxing jurisdictions. As of September 30, 2021, 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:

		<u>2021</u>		<u>2020</u>
Leader Development	\$	905,189	\$	899,636
Missionaries		165,502		75,727
Japan Ministry		17,797		-
Disaster Relief		37,337		43,325
Eastern Voices Project		-		-
Benevolence Fund		<u>28,195</u>		<u>17,447</u>
	\$	<u>1,154,020</u>	\$	<u>1,036,135</u>

**ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 and 2020**

NOTE 10 **NOTES PAYABLE - PPP**

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 amount of \$259,827 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. On November 4, 2021, the Organization's request for forgiveness on the PPP loan was fully approved and the SBA remitted the forgiven amount to Fountainhead SBF LLC.

NOTE 11 **CONCENTRATION OF CASH**

At September 30, 2021, 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, 2021, accounts in the United States did not exceed the limits of deposit insurance based on actual bank balances.

NOTE 12 **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 \$20,338 and \$29,914 in the fiscal years ended September 30, 2021 and 2020, respectively.

Asian Access also received fees from SIM-USA to provide support services in Japan. For the years ended September 30, 2021 and 2020; these fees totaled \$44,601 and \$47,322, respectively.

**ASIAN ACCESS LIFE MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 and 2020**

NOTE 13 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, 2021 and 2020.

Asian Access receives fees from SIM-Canada to provide support services in Japan. In each of the years ended September 30, 2021 and 2020; these fees totaled \$4,524 for both years, respectively.

NOTE 14: 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	\$	1,338,338
Accounts receivable, net		<u>79,202</u>
	\$	<u>1,417,540</u>

Asian Access's financial assets are all available for general use as of September 30, 2021. The Organization does not have donor-restricted endowment fund account.

NOTE 15: SUBSEQUENT EVENTS

Events subsequent to September 30, 2021 have been evaluated though April 13, 2022, the date at which the Organization's audited financial statements were available to be issued. No events requiring disclosure have occurred through this date April 13, 2022.