

Asian Media Access, Inc.
Minneapolis, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
June 30, 2013 and 2012

Carpenter *Evert*
Certified Public Accountants



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Carpenter *Evert*

Independent Auditor's Report

Board of Directors
Asian Media Access, Inc.
Minneapolis, Minnesota

We have audited the accompanying financial statements of Asian Media Access, Inc., which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows 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 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 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 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 Asian Media Access, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Carpenter, Evert & Associates, Ltd.
Certified Public Accountants

Minneapolis, Minnesota
June 21, 2014

ASIAN MEDIA ACCESS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013		2012	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Support and Revenue:				
Contributions (Including In-kind Contributions of \$36,660 in 2013 and \$108,381 in 2012)	\$ 102,591	\$ 25,000	\$ 127,591	\$ 35,500
Governmental Grants	741,949	-	741,949	-
Program Service Fees	120,084	-	120,084	-
Interest Income	580	-	580	-
Other Income	5,365	-	5,365	-
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	18,041	(18,041)	76,908	(76,908)
Satisfaction of Time Restrictions	-	-	10,000	(10,000)
Total Support and Revenue	988,610	6,959	995,569	(51,408)
Expense:				
Program Services:				
Film/ Performing Arts Exhibition	48,256	-	48,256	-
Multimedia Education	345,832	-	345,832	-
Multimedia Production	88,469	-	88,469	-
Multimedia Technology	96,512	-	96,512	-
RICE	56,299	-	56,299	-
Total Program Services	635,368	-	635,368	-
Support Services:				
Management and General	107,552	-	107,552	-
Fundraising	72,385	-	72,385	-
Total Support Services	179,937	-	179,937	-
Total Expense	815,305	-	815,305	-
Change in Net Assets	173,305	6,959	180,264	(51,408)
Net Assets - Beginning of Year	637,520	27,074	664,594	78,482
Net Assets - End of Year	\$ 810,825	\$ 34,033	\$ 844,858	\$ 27,074
				\$ 664,594

The accompanying Notes to Financial Statements are an integral part of these statements.

EXHIBIT B

ASIAN MEDIA ACCESS, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012

	2013										2012	
	Program Services					Support Services					Total All Services	Total All Services
	Film/ Performing Arts Exhibition	Multimedia Education	Multimedia Production	Multimedia Technology	RICE	Total Program Services	Management & General	Fund- raising	Total Support Services	Total All Services		
Salaries	20,116	144,167	36,880	40,233	23,469	\$ 264,865	40,233	30,175	\$ 70,408	\$ 335,273	\$ 375,797	
Payroll Taxes	1,805	12,935	3,309	3,610	2,106	23,765	3,610	2,707	6,317	30,082	34,292	
Employee Benefits	4,564	32,707	8,367	9,127	5,324	60,089	9,127	6,846	15,973	76,062	11,073	
Total Personnel Costs	26,485	189,809	48,556	52,970	30,899	348,719	52,970	39,728	92,698	441,417	421,162	
Contract Services	12,733	91,252	23,343	25,465	14,855	167,648	25,465	19,099	44,564	212,212	261,456	
Occupancy	3,495	25,046	6,407	6,990	4,077	46,015	6,990	5,242	12,232	58,247	59,744	
Curriculum	2,450	17,561	4,493	4,901	2,859	32,264	4,901	3,676	8,577	40,841	126,967	
Travel	1,008	7,227	1,849	2,017	1,177	13,278	2,017	1,513	3,530	16,808	34,251	
Professional Fees	-	-	-	-	-	-	11,040	-	11,040	11,040	9,444	
Insurance	575	4,121	1,054	1,150	671	7,571	1,150	862	2,012	9,583	9,072	
Equipment Rental and Maintenance	274	1,962	502	547	319	3,604	547	411	958	4,562	4,190	
Telephone	154	1,106	283	309	180	2,032	309	232	541	2,573	3,030	
Other Expense	115	822	210	229	134	1,510	229	172	401	1,911	3,750	
Printing and Reproduction	110	786	201	220	128	1,445	220	165	385	1,830	2,166	
Postage and Mailing Costs	18	127	33	36	21	235	36	27	63	298	599	
Advertising	-	-	-	-	-	-	-	-	-	-	626	
Depreciation	839	6,013	1,538	1,678	979	11,047	1,678	1,258	2,936	13,983	12,540	
Total Expense	\$ 48,256	\$ 345,832	\$ 88,469	\$ 96,512	\$ 56,299	\$ 635,368	\$ 107,552	\$ 72,385	\$ 179,937	\$ 815,305	\$ 948,997	

The accompanying Notes to Financial Statements are an integral part of this statement.

ASIAN MEDIA ACCESS, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2012

	Program Services						Support Services				Total All Services
	Film/ Performing Arts/ Exhibition	Multimedia Education	Multimedia Production	Multimedia Technology	RICE	Total Program Services	Management & General	Fund- raising	Total Support Services		
Salaries	\$ 52,612	\$ 131,529	\$ 56,370	\$ 37,580	\$ 33,821	\$ 311,912	\$ 37,580	\$ 26,305	\$ 63,885	\$ 375,797	
Payroll Taxes	4,801	12,002	5,144	3,429	3,087	28,463	3,429	2,400	5,829	34,292	
Employee Benefits	1,550	3,876	1,661	1,107	997	9,191	1,107	775	1,882	11,073	
Total Personnel Costs	58,963	147,407	63,175	42,116	37,905	349,566	42,116	29,480	71,596	421,162	
Contract Services	36,604	91,510	39,218	26,146	23,531	217,009	26,146	18,301	44,447	261,456	
Occupancy	8,364	20,911	8,962	5,974	5,377	49,588	5,974	4,182	10,156	59,744	
Curriculum	17,775	44,438	19,045	12,697	11,427	105,382	12,697	8,888	21,585	126,967	
Travel	4,795	11,988	5,137	3,425	3,083	28,428	3,425	2,398	5,823	34,251	
Professional Fees	-	-	-	-	-	-	9,444	-	9,444	9,444	
Insurance	1,270	3,175	1,361	907	817	7,530	907	635	1,542	9,072	
Equipment Rental and Maintenance	587	1,466	629	419	377	3,478	419	293	712	4,190	
Telephone	424	1,060	455	303	273	2,515	303	212	515	3,030	
Other Expense	525	1,313	562	374	338	3,112	375	263	638	3,750	
Printing and Reproduction	303	757	325	217	195	1,797	217	152	369	2,166	
Postage and Mailing Costs	84	209	90	60	54	497	60	42	102	599	
Advertising	87	219	94	63	56	519	63	44	107	626	
Depreciation	1,756	4,389	1,881	1,254	1,129	10,409	1,253	878	2,131	12,540	
Total Expense	\$ 131,537	\$ 328,842	\$ 140,934	\$ 93,955	\$ 84,562	\$ 779,830	\$ 103,399	\$ 65,768	\$ 169,167	\$ 948,997	

The accompanying Notes to Financial Statements are an integral part of this statement.

ASIAN MEDIA ACCESS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Current Assets:		
Cash	\$ 997,991	\$ 645,786
Accounts Receivable	59,000	59,000
Prepaid Expenses	<u>1,343</u>	<u>4,489</u>
Total Current Assets	<u>1,058,334</u>	<u>709,275</u>
Property and Equipment - Net	<u>237,126</u>	<u>244,257</u>
 TOTAL ASSETS	 <u>\$ 1,295,460</u>	 <u>\$ 953,532</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 66,904	\$ 76,929
Funds Held For Others	207,220	178,543
Refundable Advances	147,501	-
Accrued Payroll Taxes	5,148	-
Other Accrued Expenses	<u>23,829</u>	<u>33,466</u>
Total Current Liabilities	<u>450,602</u>	<u>288,938</u>
Net Assets:		
Unrestricted:		
Board Designated Reserve	586,690	578,487
Unrestricted	<u>224,135</u>	<u>59,033</u>
Total Unrestricted	<u>810,825</u>	<u>637,520</u>
Temporarily Restricted	<u>34,033</u>	<u>27,074</u>
Total Net Assets	<u>844,858</u>	<u>664,594</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,295,460</u>	 <u>\$ 953,532</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

ASIAN MEDIA ACCESS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

<u>Increase (Decrease) in Cash</u>	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 180,264	\$ (35,482)
Total Adjustments	<u>178,793</u>	<u>256,978</u>
Net Cash Provided by Operating Activities	359,057	221,496
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(6,852)	(9,074)
Cash Flows from Financing Activities:		
None	<u>-</u>	<u>-</u>
Net Increase in Cash	352,205	212,422
Cash - Beginning of Year	<u>645,786</u>	<u>433,364</u>
Cash - End of Year	<u>\$ 997,991</u>	<u>\$ 645,786</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

1. Summary of Significant Accounting Policies

Organizational Purpose

Incorporated in August 1992, Asian Media Access, Inc. (AMA) is a comprehensive, multi-media based community advocacy organization. AMA is dedicated to using multi-media and technology as tools for social betterment. AMA recognizes that multi-media and technology are essential for advocacy, communication and education, in order to mobilize communities, and young people; to engage in understanding and communicating of Pan Asian issues; and to arrive at a participatory decision making process for a safe, supportive environment for all.

Multimedia is defined by the Oxford Dictionary as, “using more than one medium of expression or communication including film, dance, video, audio, design, drama, acrobatics, and stage effects”. By effectively utilizing these different tools, AMA creates as well as presents programs that educate and enrich the communities. We believe the multi-media arts and information technology empower all of us with critical thinking and promote good citizenship—especially important as we prepare young people to be tomorrow’s leaders. Our thought-provoking media exhibitions, stage performances, resourceful educational products and youth programs encourage deep reflection, challenge previous assumptions, provide solace, and allow participants to develop their own way of connection in timeless works of creation, communication and community building.

AMA’s programs are as follows:

Film/ Performing Arts Exhibition – AMA has been a pioneer in bringing in Asian films to American audiences. Our regular exhibition programs include "Cinema with Passion"; annual "Chinese Film Showcase"; "Asian Funniest Commercials"; and "Asian Children's Film Festival". Also AMA has expanded beyond film exhibition, adding on the annual Fringe Festival Theatrical Production, and Dance Performances.

Multimedia Education – This division consists of after-school and summer programs offered to at risk youth, focusing on dance, music, video and digital technology application and production.

Multimedia Production – AMA has produced a variety of educational videos and television programs to broadcast at the local channels and featured at AMA youth blog site – “Youth In Charge.” Through these productions, we bring to the communities important messages and inspiring discussion. Our past and current productions include, "East Meets West"; "Helping Youth Succeed"; "Compulsive Gambling Educational Video"; and various Public Education Media Campaigns.

Radio ASIA (Asian Station in American) – A 24-hour HD radio station at 106.1 HD 3, is the first of its kind in the nation, serving Pan Asians, along with 24/7 web streaming at www.radioasia.org. Radio ASIA is committed to the creation of radio broadcasting by and for Pan Asians from diverse cultures, languages, and under-represented by local media, in order to expand audiences with innovative and educational programs that stimulate beyond his/her worldviews.

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

1. Summary of Significant Accounting Policies (continued)

Organizational Purpose (continued)

Multimedia Technology – Multimedia Technology is an important factor for our community building, which includes: AMACConnect, computer services at low cost for other non-profits; and APA ComMNet, an internet-based network to connect community agencies in Minnesota to share information on the web in diverse Asian languages.

RICE (Reaching Immigrant with Case and Education) – RICE is a social service component of AMA. This division includes Ramen Ya transitional housing, employment training, and intervention services. The Ramen Ya (Noodle House) transitional housing supports six beds for runaway and homeless girls with safe and dignified living, up to 18 months.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to AMA the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restrictions. A description of the groupings is as follows:

Unrestricted Net Assets – Net assets which are neither permanently nor temporarily restricted by donor-imposed stipulations. These net assets include both board designated and undesignated amounts. Property and equipment is reported as unrestricted net assets.

Temporarily Restricted Net Assets – The part of net assets of AMA resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions pursuant to those stipulations.

Accounts Receivable and Allowance for Doubtful Accounts

AMA extends credit to its customers on terms it establishes for individual customers. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and AMA does not charge interest on accounts receivable balances. AMA reviews accounts receivable balances on a periodic basis and writes off delinquent receivables when they are considered uncollectible. No allowance for doubtful accounts has been provided as accounts receivable are considered collectable.

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

1. Summary of Significant Accounting Policies (continued)

Property and Equipment

All major expenditures for property and equipment above \$400 are capitalized at cost. Depreciation is provided through the use of the straight-line method.

Contributions

Contributions are recorded when received and recognized as support in the period received. If donor-imposed restrictions accompany the contribution, the amount is recorded as temporarily or permanently restricted until the donor-imposed restrictions expire or are fulfilled. Temporarily restricted net assets are reclassified to unrestricted in the period donor-imposed restrictions expire or are fulfilled, and are reported in the Statements of Activities under the Support and Revenue Category – Net Assets Released from Restrictions.

Promises-To-Give

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Government Grants and Contracts

Government grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Funds received but not yet earned are shown as refundable advances. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, AMA will record such disallowance at the time the final assessment is made.

Functional Allocation of Expense

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service are allocated based on the best estimates of management.

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

1. Summary of Significant Accounting Policies (continued)

Income Tax

AMA has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. AMA's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. AMA continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, AMA annually files a Return of Organization Exempt From Income Tax (Form 990). The returns for the years ending June 30, 2010 and later remain subject to examination by the Internal Revenue Service.

Use of Estimates

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

Subsequent Events

AMA has evaluated the effect that subsequent events would have on the financial statements through June 21, 2014, which is the date financial statements were available to be issued.

2. Significant Concentrations of Credit Risk

AMA provides services within the Twin Cities area. The amounts due for services provided are from individuals, or their third-party payors, substantially all of whom are local residents. In addition, grants receivable are from local governments or institutions.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

At June 30, 2013 and 2012, AMA held funds at a local financial institution in excess of federally insured limits.

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

5. Major Sources of Support and Revenue

Major sources of support and revenue were as follows as of:

	June 30,	
	2013	2012
U.S. Department of Health and Human Services	\$ 256,155	\$ 278,125
Minnesota State Arts Board	145,901	193,241

6. Property and Equipment

AMA owned the following as of:

	June 30,		Estimated Useful Lives
	2013	2012	
Building	\$ 238,153	\$ 238,153	30 years
Land	37,000	37,000	
Furniture and Equipment	96,487	89,635	3-5 years
Vehicle	8,220	8,220	5 years
	379,860	373,008	
Less Accumulated Depreciation	142,734	128,751	
	\$ 237,126	\$ 244,257	

Depreciation expense of \$13,983 and \$12,540 was recorded for the years ended June 30, 2013 and 2012, respectively.

7. Unrestricted Net Asset Designation

The Board of Directors has made the following designations of unrestricted net assets:

	June 30,	
	2013	2012
Capital Reserve	\$ 309,173	\$ 307,122
Personnel	218,345	214,243
Building Improvements / Maintenance	59,172	57,122
	\$ 586,690	\$ 578,487

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

8. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of amounts for the following purposes as of:

	June 30,	
	2013	2012
Youth Media Force	\$ 10,369	\$ 10,000
Building Maintenance	8,874	8,874
Youth of Color Digital Art Summer Employment Project	5,090	-
Stand Up Participate Youth of Color	5,000	-
Tornado Recovery Project	4,700	4,700
Zaub Tsuag Film Project	-	3,500
	\$ 34,033	\$ 27,074

9. In-kind Contributions

AMA records in-kind contributions at fair market value at date of donation. In-kind contributions included the following as of:

	June 30,	
	2013	2012
Contract Services	\$ 18,803	\$ 5,717
Curriculum Supplies	17,857	102,664
	\$ 36,660	\$ 108,381

10. Leased Facilities

Rental commitments under noncancelable leases for office space in effect at June 30, 2013, total \$4,400. The future annual rental commitments are as follows:

<u>Due in the Year Ending June 30,</u>	
2014	\$ <u>4,400</u>

Rental expense was \$21,580 and \$21,860 for the years ended June 30, 2013 and 2012, respectively.

11. Pension Plan

AMA has a Simplified Employee Pension Plan covering all eligible employees. The AMA contributes an amount approved by the Board of Directors each year. Contributions of \$62,266 and \$0- were made in the years ended June 30, 2013 and 2012, respectively.

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

12. Related Parties

The executive director is an officer on the board of directors for AMA.

13. Cash Flow Operating Adjustments

Adjustments to reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities were as follows as of:

	<u>June 30,</u>	
	<u>2013</u>	<u>2012</u>
Depreciation	\$ 13,983	\$ 12,540
Increases (Decreases) in Current Liabilities:		
Accounts Payable	(10,025)	75,330
Funds Held for Others	28,677	141,778
Refundable Advances	147,501	(31,564)
Accrued Payroll Taxes	5,148	(1,031)
Other Accrued Expenses	(9,637)	1,585
Decreases (Increases) in Current Assets:		
Accounts Receivable	-	(59,000)
Contributions Receivable	-	33,675
Government Contracts Receivable	-	81,848
Prepaid Expenses	3,146	1,817
Other Assets	-	-
Total Adjustments	<u>\$ 178,793</u>	<u>\$ 256,978</u>