

Asian Media Access, Inc.
Minneapolis, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
June 30, 2010 and 2009

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 statements of financial position of Asian Media Access, Inc. as of June 30, 2010 and 2009, and the related statements of activities and changes in net assets, functional expense and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Asian Media Access, Inc. as of June 30, 2010 and 2009, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Carpenter, Evert & Associates, Ltd.
Certified Public Accountants

Minneapolis, Minnesota
January 13, 2011

ASIAN MEDIA ACCESS, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue:						
Contributions (Including In-kind Contributions of \$160,540 in 2010 and \$216,911 in 2009)	\$ 228,831	\$ 105,000	\$ 333,831	\$ 257,204	\$ 28,000	\$ 285,204
Governmental Grants	661,831	-	661,831	493,376	-	493,376
Movie and Program Service Fees	4,863	-	4,863	2,839	-	2,839
Interest Income	49	-	49	1,010	-	1,010
Other Income	750	-	750	8,957	-	8,957
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	91,651	(91,651)	-	183,108	(183,108)	-
Satisfaction of Time Restrictions	-	-	-	20,000	(20,000)	-
Satisfaction of Capital Restrictions	-	-	-	5,000	(5,000)	-
Total Support and Revenue	987,975	13,349	1,001,324	971,494	(180,108)	791,386
Expense:						
Program Services:						
Film Exhibition/Performing Arts	35,513	-	35,513	45,726	-	45,726
Multimedia Education	319,627	-	319,627	320,081	-	320,081
Multimedia Production	124,302	-	124,302	137,177	-	137,177
Multimedia Technology	177,570	-	177,570	173,760	-	173,760
RICE	133,180	-	133,180	128,033	-	128,033
Total Program Services	790,192	-	790,192	804,777	-	804,777
Support Services:						
Management and General Fundraising	79,913	-	79,913	88,577	-	88,577
Total Support Services	26,635	-	26,635	27,434	-	27,434
Total Expense	106,548	-	106,548	116,011	-	116,011
	896,740	-	896,740	920,788	-	920,788
Change in Net Assets	91,235	13,349	104,584	50,706	(180,108)	(129,402)
Net Assets - Beginning of Year	379,599	35,835	415,434	328,893	215,943	544,836
Net Assets - End of Year	\$ 470,834	\$ 49,184	\$ 520,018	\$ 379,599	\$ 35,835	\$ 415,434

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, 2010 WITH COMPARATIVE TOTALS FOR 2009**

	2010										2009	
	Program Services					Support Services					Total All Services	Total All Services
	Film Exhibition/ Performing Arts	Multimedia Education	Multimedia Production	Multimedia Technology	RICE	Total Program Services	Management & General	Fund-raising	Total Support Services	Total All Services		
Salaries	\$ 17,310	\$ 155,785	\$ 60,583	\$ 86,547	\$ 64,910	\$ 385,135	\$ 34,619	\$ 12,982	\$ 47,601	\$ 432,736	\$ 428,095	
Payroll Taxes	1,466	13,198	5,132	7,332	5,499	32,627	2,933	1,100	4,033	36,660	33,583	
Employee Benefits	637	5,733	2,230	3,185	2,389	14,174	1,274	478	1,752	15,926	13,294	
Total Personnel Costs	19,413	174,716	67,945	97,064	72,798	431,936	38,826	14,560	53,386	485,322	474,972	
Supplies	5,674	51,070	19,861	28,372	21,279	126,256	11,349	4,256	15,605	141,861	155,788	
Contract Services	4,543	40,884	15,899	22,714	17,035	101,075	9,085	3,407	12,492	113,567	94,049	
Travel	2,324	20,916	8,135	11,620	8,715	51,710	4,648	1,743	6,391	58,101	30,178	
Occupancy	1,923	17,303	6,729	9,613	7,210	42,778	3,845	1,442	5,287	48,065	57,164	
Insurance	360	3,244	1,262	1,802	1,352	8,020	721	270	991	9,011	6,532	
Professional Fees	-	-	-	-	-	-	8,883	-	8,883	8,883	6,272	
Equipment Rental and Maintenance	319	2,869	1,116	1,594	1,196	7,094	638	239	877	7,971	73,883	
Printing and Reproduction	227	2,044	795	1,135	852	5,053	454	170	624	5,677	5,666	
Telephone	116	1,048	408	582	437	2,591	234	87	321	2,912	2,468	
Postage and Mailing Costs	57	514	200	286	214	1,271	114	43	157	1,428	1,186	
Other Expense	28	254	99	141	107	629	57	21	78	707	13	
Dues and Subscriptions	-	-	-	-	-	-	-	-	-	-	251	
Depreciation	529	4,765	1,853	2,647	1,985	11,779	1,059	397	1,456	13,235	12,366	
Total Expense	\$ 35,513	\$ 319,627	\$ 124,302	\$ 177,570	\$ 133,180	\$ 790,192	\$ 79,913	\$ 26,635	\$ 106,548	\$ 896,740	\$ 920,788	

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

EXHIBIT C

ASIAN MEDIA ACCESS, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2009

	Program Services						Support Services				Total All Services
	Film Exhibition/ Performing Arts	Multimedia Education	Multimedia Production	Multimedia Technology	RICE	Total Program Services	Management & General	Fund-raising	Total Support Services		
Salaries	\$ 21,405	\$ 149,833	\$ 64,214	\$ 81,338	\$ 59,933	\$ 376,723	\$ 38,529	\$ 12,843	\$ 51,372	\$ 428,095	
Payroll Taxes	1,679	11,755	5,037	6,381	4,702	29,554	3,022	1,007	4,029	33,583	
Employee Benefits	665	4,653	1,994	2,526	1,861	11,699	1,196	399	1,595	13,294	
Total Personnel Costs	23,749	166,241	71,245	90,245	66,496	417,976	42,747	14,249	56,996	474,972	
Supplies	7,789	54,526	23,368	29,600	21,810	137,093	14,021	4,674	18,695	155,788	
Contract Services	4,703	32,917	14,107	17,869	13,168	82,764	8,464	2,821	11,285	94,049	
Travel	1,509	10,562	4,527	5,734	4,225	26,557	2,716	905	3,621	30,178	
Occupancy	2,858	20,007	8,575	10,861	8,003	50,304	5,145	1,715	6,860	57,164	
Insurance	327	2,286	980	1,241	914	5,748	588	196	784	6,532	
Professional Fees	-	-	-	-	-	-	6,272	-	6,272	6,272	
Equipment Rental and Maintenance	3,694	25,860	11,082	14,038	10,344	65,018	6,649	2,216	8,865	73,883	
Printing and Reproduction	283	1,983	850	1,077	793	4,986	510	170	680	5,666	
Telephone	123	864	370	469	346	2,172	222	74	296	2,468	
Postage and Mailing Costs	59	414	178	226	166	1,043	107	36	143	1,186	
Other Expense	1	5	2	2	2	12	1	-	1	13	
Dues and Subscriptions	13	88	38	48	35	222	22	7	29	251	
Depreciation	618	4,328	1,855	2,350	1,731	10,882	1,113	371	1,484	12,366	
Total Expense	\$ 45,726	\$ 320,081	\$ 137,177	\$ 173,760	\$ 128,033	\$ 804,777	\$ 88,577	\$ 27,434	\$ 116,011	\$ 920,788	

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

ASIAN MEDIA ACCESS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current Assets:		
Cash	\$ 151,127	\$ 163,016
Grants Receivable	51,528	8,774
Government Contracts Receivable	87,644	4,700
Prepaid Expenses	20,980	5,660
Other Assets	101	101
Total Current Assets	<u>311,380</u>	<u>182,251</u>
Property and Equipment - Net	<u>260,939</u>	<u>270,405</u>
TOTAL ASSETS	<u>\$ 572,319</u>	<u>\$ 452,656</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Current Liabilities:		
Accounts Payable	\$ 1,767	\$ 4,124
Accrued Salaries and Vacation	50,534	33,098
Total Current Liabilities	<u>52,301</u>	<u>37,222</u>
Net Assets:		
Unrestricted:		
Board Designated Reserve	24,000	24,000
Unrestricted	446,834	355,599
Total Unrestricted	<u>470,834</u>	<u>379,599</u>
Temporarily Restricted	<u>49,184</u>	<u>35,835</u>
Total Net Assets	<u>520,018</u>	<u>415,434</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 572,319</u>	<u>\$ 452,656</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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>Increase (Decrease) in Cash</u>		
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 104,584	\$ (129,402)
Total Adjustments	<u>(112,704)</u>	<u>102,284</u>
Net Cash (Used) by Operating Activities	(8,120)	(27,118)
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(3,769)	(72,189)
Cash Flows from Financing Activities:		
Principal Payments on Notes Payable	<u>-</u>	<u>-</u>
Net (Decrease) in Cash	(11,889)	(99,307)
Cash - Beginning of Period	<u>163,016</u>	<u>262,323</u>
Cash - End of Period	<u>\$ 151,127</u>	<u>\$ 163,016</u>

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

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

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.

As multimedia is defined by the Oxford Dictionary – “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.

The Organization’s programs are as follows:

Film Exhibition/Performing Arts – 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, 2010 AND 2009

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 Asian Media Access, Inc., 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 the Organization 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.

Allowance for Doubtful Accounts

No allowance for doubtful accounts has been provided as grants and accounts receivable are considered collectable.

Property and Equipment

All major expenditures for property and equipment above \$500 are capitalized at cost. Depreciation is provided through the use of the straight-line method.

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

1. Summary of Significant Accounting Policies (continued)

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, Asian Media Access, Inc. 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.

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. The Organization'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. The Organization 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.

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

1. Summary of Significant Accounting Policies (continued)

Risks and Uncertainties

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions can affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Subsequent Events

AMA has evaluated the effect that subsequent events would have on the financial statements through January 13, 2011, which is the date financial statements were available to be issued.

2. Significant Concentrations of Credit Risk

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

3. Fair Value

AMA adopted Financial Accounting Standards Board Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures ("ASC 820"). In accordance with ASC 820, "fair value" is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair value of the investments at June 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Grants Receivable	<u>\$ -</u>	<u>\$ 51,528</u>	<u>\$ -</u>	<u>\$ 51,528</u>

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

4. Grants Receivable

The outstanding balance of grants receivable at June 30, 2010, is expected to be collected over the following fiscal years:

<u>Due in the Year Ending June 30,</u> 2011	<u>\$ 51,528</u>
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5. Major Sources of Support and Revenue

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

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
U.S. Department of Human Services	\$ 212,515	\$ 318,784
U.S. Department of Justice	176,536	67,641

6. Property and Equipment

The Organization owned the following as of:

	<u>June 30,</u>		
	<u>2010</u>	<u>2009</u>	<u>Estimated Useful Lives</u>
Building	\$ 238,153	\$ 238,153	30 years
Land	37,000	37,000	
Furniture and Equipment	79,754	78,505	3-5 years
Vehicle	<u>8,220</u>	<u>4,000</u>	5 years
	363,127	357,658	
Less Accumulated Depreciation	<u>102,188</u>	<u>87,253</u>	
	<u>\$ 260,939</u>	<u>\$ 270,405</u>	

Depreciation expense of \$13,235 and \$12,366 was recorded for the years ended June 30, 2010 and 2009, respectively.

7. Unrestricted Net Asset Appropriation

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

Building Improvement	\$ 14,000
Capital Reserve	<u>10,000</u>
	<u>\$ 24,000</u>

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

8. Temporarily Restricted Net Assets

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

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
HIV Prevention	\$ 26,019	\$ -
Speak Your Mind	20,000	-
Youth Programs	3,165	16,874
Ramen Ya – Noodle House Initiative	-	10,000
Open Channel	-	7,627
Champions for Healthy Kids Program	-	1,334
	<u>\$ 49,184</u>	<u>\$ 35,835</u>

9. In-kind Contributions

Asian Media Access, Inc. records in-kind contributions at fair market value at date of donation. In-kind contributions included the following as of:

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Curriculum Supplies	\$ 117,260	\$ 135,391
Contract Services	34,460	68,320
Rent	8,820	13,200
	<u>\$ 160,540</u>	<u>\$ 216,911</u>

10. Leased Facilities

Rental commitments under noncancelable leases for office space in effect at June 30, 2010, total \$4,400. The future annual rental commitments are as follows:

<u>Due in the Year Ending June 30,</u>	
2011	<u>\$ 4,400</u>

Rental expense was \$27,465 and \$33,585 for the years ended June 30, 2010 and 2009, respectively.

ASIAN MEDIA ACCESS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

11. Cash Flow Operating Adjustments

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

	<u>June 30.</u>	
	<u>2010</u>	<u>2009</u>
Depreciation	\$ 13,235	\$ 12,366
Increases (Decreases) in Current Liabilities:		
Accounts Payable	(2,357)	(37,287)
Accrued Salaries and Vacation	17,436	12,701
Funds Held for Others	-	(5,271)
Decreases (Increases) in Current Assets:		
Grant Receivable	(42,754)	112,478
Government Contracts Receivable	(82,944)	5,722
Prepaid Expenses	(15,320)	1,575
Total Adjustments	<u>\$ (112,704)</u>	<u>\$ 102,284</u>