

**Asian Media Access, Inc.**  
Minneapolis, Minnesota

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Financial Statements  
Auditor's Report  
For the Years Ended  
June 30, 2009 and 2008

Carpenter *Evert*  
Certified Public Accountants



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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, 2009 and 2008, 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, 2009 and 2008, 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  
December 23, 2009

ASIAN MEDIA ACCESS, INC.  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009		2008	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
<b>Support and Revenue:</b>				
Contributions (Including In-kind Contributions of \$216,911 in 2009 and \$31,101 in 2008)	\$ 257,204	\$ 28,000	\$ 285,204	\$ 183,100
Governmental Grants	493,376	-	493,376	-
Movie and Program Service Fees	2,839	-	2,839	-
Interest Income	1,010	-	1,010	-
Other Income	8,957	-	8,957	-
<b>Net Assets Released from Restrictions:</b>				
Satisfaction of Program Restrictions	183,108	(183,108)	88,074	(88,074)
Satisfaction of Time Restrictions	20,000	(20,000)	21,000	(21,000)
Satisfaction of Capital Restrictions	5,000	(5,000)	23,784	(23,784)
Total Support and Revenue	971,494	(180,108)	791,386	50,242
<b>Expense:</b>				
<b>Program Services:</b>				
Film Exhibition	45,726	-	45,726	-
Media Education	320,081	-	320,081	-
Media Production	137,177	-	137,177	-
Media Technology	173,760	-	173,760	-
RICE	128,033	-	128,033	-
Total Program Services	804,777	-	804,777	-
<b>Support Services:</b>				
Management and General Fundraising	88,577	-	88,577	-
Total Support Services	27,434	-	27,434	-
Total Expense	116,011	-	114,758	-
Change in Net Assets	920,788	-	590,021	-
Net Assets - Beginning of Year	50,706	(180,108)	(129,402)	50,242
Net Assets - End of Year	328,893	215,943	410,452	165,701
	\$ 379,599	\$ 35,835	\$ 415,434	\$ 215,943
			\$ 328,893	\$ 544,836

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, 2009 WITH COMPARATIVE TOTALS FOR 2008

	2009										2008	
	Program Services					Support Services					Total	Total
	Film Exhibition	Media Education	Media Production	Media Technology	RICE	Program Services	Management & General	Fund-raising	Support Services	Total All Services	Total All Services	
Salaries	\$ 21,405	\$ 149,833	\$ 64,214	\$ 81,338	\$ 59,933	\$ 376,723	\$ 38,529	\$ 12,843	\$ 51,372	\$ 428,095	\$ 300,700	
Payroll Taxes	1,679	11,755	5,037	6,381	4,702	29,554	3,022	1,007	4,029	33,583	25,550	
Employee Benefits	665	4,653	1,994	2,526	1,861	11,699	1,196	399	1,595	13,294	6,042	
Total Personnel Costs	23,749	166,241	71,245	90,245	66,496	417,976	42,747	14,249	56,996	474,972	332,292	
Supplies	7,789	54,526	23,368	29,600	21,810	137,093	14,021	4,674	18,695	155,788	15,892	
Contract Services	4,703	32,917	14,107	17,869	13,168	82,764	8,464	2,821	11,285	94,049	155,006	
Equipment Rental and Maintenance	3,694	25,860	11,082	14,038	10,344	65,018	6,649	2,216	8,865	73,883	3,548	
Occupancy	2,858	20,007	8,575	10,861	8,003	50,304	5,145	1,715	6,860	57,164	13,053	
Travel	1,509	10,562	4,527	5,734	4,225	26,557	2,716	905	3,621	30,178	27,084	
Insurance	327	2,286	980	1,241	914	5,748	588	196	784	6,532	5,125	
Professional Fees	-	-	-	-	-	-	6,272	-	6,272	6,272	6,180	
Printing and Reproduction	283	1,983	850	1,077	793	4,986	510	170	680	5,666	1,705	
Telephone	123	864	370	469	346	2,172	222	74	296	2,468	2,219	
Postage and Mailing Costs	59	414	178	226	166	1,043	107	36	143	1,186	1,818	
Dues and Subscriptions	13	88	38	48	35	222	22	7	29	251	1,015	
Other Expense	1	5	2	2	2	12	1	-	1	13	4,827	
Movies and Production	-	-	-	-	-	-	-	-	-	-	12,379	
Depreciation	618	4,328	1,855	2,350	1,731	10,882	1,113	371	1,484	12,366	7,878	
Total Expense	\$ 45,726	\$ 320,081	\$ 137,177	\$ 173,760	\$ 128,033	\$ 804,777	\$ 88,577	\$ 27,434	\$ 116,011	\$ 920,788	\$ 590,021	

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, 2008

	Program Services						Support Services			Total All Services
	Film Exhibition	Media Education	Media Production	Media Technology	RICE	Program Services	Management & General	Fund- raising	Support Services	
Salaries	\$ 6,014	\$ 75,175	\$ 72,168	\$ 57,133	\$ 33,077	\$ 243,567	\$ 33,077	\$ 24,056	\$ 57,133	\$ 300,700
Payroll Taxes	511	6,387	6,131	4,855	2,811	20,695	2,811	2,044	4,855	25,550
Employee Benefits	121	1,511	1,449	1,148	665	4,894	665	483	1,148	6,042
Total Personnel Costs	6,646	83,073	79,748	63,136	36,553	269,156	36,553	26,583	63,136	332,292
Supplies	318	3,973	3,815	3,019	1,748	12,873	1,748	1,271	3,019	15,892
Contract Services	3,100	38,751	37,201	29,451	17,052	125,555	17,051	12,400	29,451	155,006
Equipment Rental and Maintenance	71	887	851	674	390	2,873	390	284	674	3,547
Occupancy	261	3,263	3,134	2,480	1,436	10,574	1,436	1,044	2,480	13,054
Travel	542	6,771	6,500	5,146	2,979	21,938	2,979	2,167	5,146	27,084
Insurance	102	1,281	1,230	974	564	4,151	564	410	974	5,125
Professional Fees	-	-	-	-	-	-	6,180	-	6,180	6,180
Printing and Reproduction	34	427	408	324	188	1,381	188	136	324	1,705
Telephone	44	555	532	422	244	1,797	244	178	422	2,219
Postage and Mailing Costs	36	455	436	346	200	1,473	200	145	345	1,818
Dues and Subscriptions	20	254	243	193	112	822	112	81	193	1,015
Movies and Production	12,379	-	-	-	-	12,379	-	-	-	12,379
Other Expense	97	1,207	1,158	917	531	3,910	531	386	917	4,827
Depreciation	158	1,970	1,889	1,497	867	6,381	867	630	1,497	7,878
Total Expense	\$ 23,808	\$ 142,867	\$ 137,145	\$ 108,579	\$ 62,864	\$ 475,263	\$ 69,043	\$ 45,715	\$ 114,758	\$ 590,021

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

ASIAN MEDIA ACCESS, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2009 AND 2008

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
Current Assets:		
Cash	\$ 163,016	\$ 262,323
Grants Receivable	8,774	121,252
Accounts Receivable	4,700	10,422
Prepaid Expenses	5,660	7,235
Other Assets	101	101
Total Current Assets	<u>182,251</u>	<u>401,333</u>
Property and Equipment - Net	<u>270,405</u>	<u>210,582</u>
 TOTAL ASSETS	 <u><u>\$ 452,656</u></u>	 <u><u>\$ 611,915</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 4,124	\$ 41,411
Accrued Salaries and Vacation	33,098	20,397
Funds Held for Others	-	5,271
Total Current Liabilities	<u>37,222</u>	<u>67,079</u>
Net Assets:		
Unrestricted:		
Board Designated Reserve	24,000	24,000
Unrestricted	355,599	304,893
Total Unrestricted	<u>379,599</u>	<u>328,893</u>
Temporarily Restricted	<u>35,835</u>	<u>215,943</u>
Total Net Assets	<u>415,434</u>	<u>544,836</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 452,656</u></u>	 <u><u>\$ 611,915</u></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, 2009 AND 2008

<u>Increase (Decrease) in Cash</u>	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (129,402)	\$ (31,317)
Total Adjustments	<u>102,284</u>	<u>(67,936)</u>
Net Cash (Used) by Operating Activities	(27,118)	(99,253)
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(72,189)	(29,742)
Cash Flows from Financing Activities:		
Principal Payments on Notes Payable	<u>-</u>	<u>-</u>
Net (Decrease) in Cash	(99,307)	(128,995)
Cash - Beginning of Period	<u>262,323</u>	<u>391,318</u>
Cash - End of Period	<u>\$ 163,016</u>	<u>\$ 262,323</u>

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

ASIAN MEDIA ACCESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

1. Summary of Significant Accounting Policies

Organizational Purpose

Incorporated in August 1992, Asian Media Access, Inc. (AMA) is a comprehensive, 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.

By effectively utilizing these different tools, AMA creates as well as presents programs that educate and enrich the communities. We believe the 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, 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 – 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".

Media Education – This division consists of after-school and summer programs offered to at risk youth, focusing on digital and multi-media technology application and production.

Media Production – AMA has produced a variety of educational video and television programs. 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. 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.

Radio ASIA will celebrate and express the diversity of our community through localized information, news, sports and music in the native languages. It shall provide a voice for groups in the community that may otherwise go unheard, sustaining a forum for alternative points of view on local, national, and international issues, with particular awareness to women, low-income, minorities, and other public interest constituencies. Therefore, Radio ASIA will promote understanding between cultures and serve as a catalyst for positive social change within the community.

ASIAN MEDIA ACCESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

1. Summary of Significant Accounting Policies (continued)

Media Technology – Media 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 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, 2009 AND 2008

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

The Organization has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. 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.

The Organization has elected to defer the application of FASB Interpretation No. 48 (FIN 48) until June 30, 2010, and is currently evaluating the effects, if any, that FIN 48 may have on the financial statements

ASIAN MEDIA ACCESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

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

The Organization has evaluated the effect that subsequent events would have on the financial statements through December 23, 2009, which is the date financial statements were available to be issued.

2. Financial Instruments

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. Major Sources of Support and Revenue

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

	June 30,	
	2009	2008
U.S. Department of Human Services	\$ 318,784	\$ 176,233

4. Property and Equipment

The Organization owned the following as of:

	June 30,		
	2009	2008	Estimated Useful Lives
Building	\$ 238,153	\$ 178,560	30 years
Land	37,000	37,000	
Furniture and Equipment	78,505	65,909	3-5 years
Vehicle	4,000	4,000	5 years
	357,658	285,469	
Less Accumulated Depreciation	87,253	74,887	
	\$ 270,405	\$ 210,582	

Depreciation expense of \$12,366 and \$7,878 was recorded for the years ended June 30, 2009 and 2008, respectively.

ASIAN MEDIA ACCESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

5. Unrestricted Net Asset Appropriation

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

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

6. Temporarily Restricted Net Assets

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

	<u>June 30,</u>	
	<u>2009</u>	<u>2008</u>
Youth Programs	\$ 16,874	\$ 74,000
Ramen Ya – Noodle House Initiative	10,000	10,000
Open Channel	7,627	-
Champions for Healthy Kids Program	1,334	-
Multi Media Arts Center Workshop	-	75,050
General Operations – 2009	-	20,000
Develop Cap Camp for Media Center	-	12,843
Speak Your Mind	-	10,000
HIV Prevention	-	6,550
Active Lifestyle Education	-	5,000
Youth Media Force	-	2,500
	<u>\$ 35,835</u>	<u>\$ 215,943</u>

7. 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>2009</u>	<u>2008</u>
Curriculum Supplies	\$ 135,391	\$ 8,018
Contract Services	68,320	11,600
Rent	13,200	-
Movies and Production	-	7,200
Meals and Travel	-	4,283
	<u>\$ 216,911</u>	<u>\$ 31,101</u>

ASIAN MEDIA ACCESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

8. 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>2009</u>	<u>2008</u>
Depreciation	\$ 12,366	\$ 7,878
Increases (Decreases) in Current Liabilities:		
Accounts Payable	(37,287)	26,332
Accrued Salaries and Vacation	12,701	2,095
Funds Held for Others	(5,271)	(3,540)
Decreases (Increases) in Current Assets:		
Grant Receivable	112,478	(91,392)
Accounts Receivable	5,722	(10,422)
Prepaid Expenses	1,575	1,113
Total Adjustments	<u>\$ 102,284</u>	<u>\$ (67,936)</u>