

Asian Pacific Fund

Financial Statements

December 31, 2024 and 2023

Asian Pacific Fund

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Independent Auditors' Report

The Board of Directors of
Asian Pacific Fund

Opinion

We have audited the financial statements of Asian Pacific Fund (the Fund), which comprise the statements of financial position as of December 31, 2024, and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2024, and 2023, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

San Francisco, California
September 30, 2025

Asian Pacific Fund

Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 909,652	\$ 745,369
Pledges receivable	456,500	52,900
Investments, at fair value	24,281,834	23,459,480
Prepaid expenses and other assets	44,890	11,714
Equipment, net	5,364	13,085
Total assets	<u>\$ 25,698,240</u>	<u>\$ 24,282,548</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 109,888	\$ 88,468
Scholarships and grants payable	4,821	1,000
Total liabilities	<u>114,709</u>	<u>89,468</u>
Net Assets		
Without donor restrictions		
Undesignated	6,467,413	6,312,063
Board-designated	2,940,455	2,739,090
	<u>9,407,868</u>	<u>9,051,153</u>
With donor restrictions	<u>16,175,663</u>	<u>15,141,927</u>
Total net assets	<u>25,583,531</u>	<u>24,193,080</u>
Total liabilities and net assets	<u>\$ 25,698,240</u>	<u>\$ 24,282,548</u>

See notes to financial statements

Asian Pacific Fund

Statements of Activities

Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support						
Contributions	\$ 356,456	\$ 92,629	\$ 449,085	\$ 694,574	\$ 1,912,422	\$ 2,606,996
Foundation, government, and corporate grants	569,393	1,150,000	1,719,393	643,578	474,500	1,118,078
Investment return, net	586,213	1,697,399	2,283,612	685,087	1,854,090	2,539,177
Fundraising event income	403,773	-	403,773	487,831	-	487,831
Cost of direct benefits to donors	(113,662)	-	(113,662)	(170,935)	-	(170,935)
Other income	26,369	-	26,369	6,950	-	6,950
Release of net assets with donor restrictions	1,906,292	(1,906,292)	-	1,609,261	(1,609,261)	-
Total revenues and support	3,734,834	1,033,736	4,768,570	3,956,346	2,631,751	6,588,097
Expenses						
Program services	2,625,665	-	2,625,665	2,474,448	-	2,474,448
Management and general	561,399	-	561,399	367,145	-	367,145
Fundraising	191,055	-	191,055	292,733	-	292,733
Total expenses	3,378,119	-	3,378,119	3,134,326	-	3,134,326
Change in net assets	356,715	1,033,736	1,390,451	822,020	2,631,751	3,453,771
Net Assets, Beginning	9,051,153	15,141,927	24,193,080	8,229,133	12,510,176	20,739,309
Net Assets, Ending	<u>\$ 9,407,868</u>	<u>\$ 16,175,663</u>	<u>\$ 25,583,531</u>	<u>\$ 9,051,153</u>	<u>\$ 15,141,927</u>	<u>\$ 24,193,080</u>

See notes to financial statements

Asian Pacific Fund

Statement of Functional Expenses

Year Ended December 31, 2024

	<u>Educational Programs</u>	<u>Grants and Services to Agencies</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses						
Grants and direct assistance	\$ 172,166	\$ 1,619,542	\$ 1,791,708	\$ -	\$ -	\$ 1,791,708
Salaries and related expenses	289,341	353,850	643,191	331,889	175,073	1,150,153
Travel and conference expenses	55,282	3,490	58,772	32,497	116,712	207,981
Contract service expenses	23,268	72,604	95,872	126,438	7,466	229,776
Nonpersonnel expenses	18,958	6,075	25,033	17,739	2,742	45,514
Facility expenses	5,729	5,360	11,089	12,628	2,485	26,202
Other expenses	-	-	-	40,208	239	40,447
	<u>564,744</u>	<u>2,060,921</u>	<u>2,625,665</u>	<u>561,399</u>	<u>304,717</u>	<u>3,491,781</u>
Total expenses						
	564,744	2,060,921	2,625,665	561,399	304,717	3,491,781
Less cost of direct benefit to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,662)</u>	<u>(113,662)</u>
	<u>\$ 564,744</u>	<u>\$ 2,060,921</u>	<u>\$ 2,625,665</u>	<u>\$ 561,399</u>	<u>\$ 191,055</u>	<u>\$ 3,378,119</u>

See notes to financial statements

Asian Pacific Fund

Statement of Functional Expenses

Year Ended December 31, 2023

	Educational Programs	Grants and Services to Agencies	Total Program Services	Management and General	Fundraising	Total
Expenses						
Grants and direct assistance	\$ 168,667	\$ 1,591,869	\$ 1,760,536	\$ -	\$ -	\$ 1,760,536
Salaries and related expenses	295,362	293,449	588,811	182,966	220,827	992,604
Travel and conference expenses	84,258	204	84,462	15,142	202,763	302,367
Contract service expenses	4,868	4,250	9,118	120,312	27,242	156,672
Nonpersonnel expenses	8,385	7,494	15,879	6,992	7,147	30,018
Facility expenses	5,709	5,317	11,026	11,371	4,010	26,407
Other expenses	2,390	2,226	4,616	30,362	1,679	36,657
Total expenses	569,639	1,904,809	2,474,448	367,145	463,668	3,305,261
Less cost of direct benefit to donors	-	-	-	-	(170,935)	(170,935)
	<u>\$ 569,639</u>	<u>\$ 1,904,809</u>	<u>\$ 2,474,448</u>	<u>\$ 367,145</u>	<u>\$ 292,733</u>	<u>\$ 3,134,326</u>

See notes to financial statements

Asian Pacific Fund

Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Change in net assets	\$ 1,390,451	\$ 3,453,771
Adjustments to reconcile change in net assets to cash flows (used in) provided by operating activities:		
Depreciation	7,721	7,659
Net realized and unrealized losses (gains) on investments	(1,506,460)	(1,779,549)
Proceeds from contributions restricted for endowments	(41,000)	(10,104)
Changes in operating assets and liabilities		
Prepaid expenses and other assets	(33,176)	10,857
Pledges receivable	(403,600)	149,619
Accounts payable and accrued expenses	21,420	3,782
Scholarships and grants payable, net	3,821	(74,000)
Cash flows (used in) provided by operating activities	(560,823)	1,762,035
Cash Flows From Investing Activities		
Proceeds from sales of investments	4,746,250	14,307,600
Purchases of investments	(4,062,144)	(16,128,878)
Purchase of equipment	-	(10,834)
Cash flows provided by (used in) investing activities	684,106	(1,832,112)
Cash Flows From Financing Activities		
Proceeds from contributions restricted for endowments	41,000	10,104
Cash flows provided by financing activities	41,000	10,104
Net change in cash	164,283	(59,973)
Cash, Beginning	745,369	805,342
Cash, Ending	<u>\$ 909,652</u>	<u>\$ 745,369</u>

See notes to financial statements

Asian Pacific Fund

Notes to Financial Statements
December 31, 2024 and 2023

1. Organization

The Asian Pacific Fund (the Fund) is a California nonprofit public benefit corporation organized in 1993. The Fund's mission is to strengthen the Asian and Pacific Islander (API) community in the Bay Area by increasing philanthropy and supporting the organizations that serve our most vulnerable community members. Its core areas of focus are as follows: 1) Philanthropy: Increasing and mobilizing resources from donors, corporations and institutions to support the Bay Area's underserved APIs; 2) Community: Supporting a network of over 80 affiliate organizations who serve APIs across a wide range of needs including senior and youth services, health and well-being, counseling, legal services, advocacy, civic engagement, and arts and culture; 3) Leadership: Cultivating leadership by recognizing current and future API leaders who have achieved success and are role models for giving back and making a difference among our youth, in higher education and in philanthropy; and 4) Awareness: Shedding light on emerging issues as they impact APIs in the Bay Area.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - These net assets and related activities represent the portion of expendable funds that are not subject to donor-imposed use or time restrictions. The Board of Directors may designate a portion of these net assets for specific purposes. As of December 31, 2024, and 2023, the Fund had total ending balances of \$2,940,455 and \$2,739,090, respectively, in a board-designated endowment fund.

Also classified as net assets without donor restrictions are donor-advised funds which may have been established to enable donors to make recommendations from time to time about the distributions from the funds. The donors' advice in the grant-making process is considered by the Board of Directors in making grants from these resources.

Net Assets With Donor Restrictions - Those net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when specified criteria are met.

Use of Estimates

Preparation of financial statements, in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses and to disclose any material contingent amounts. Accordingly, actual results could differ from such estimates. Significant estimates include the fair value of investments and the functional allocation of expenses.

Cash and Cash Equivalents

Cash and cash equivalents include cash balances and highly liquid investments with original maturities of three months or less at acquisition which are not managed as part of long-term investment strategies and are not legally restricted.

Asian Pacific Fund

Notes to Financial Statements
December 31, 2024 and 2023

Pledges Receivable

The Fund records pledges receivable at net realizable value, net of allowance for uncollectible pledges. The Fund provides an allowance for doubtful accounts based upon management's evaluation of the collectability of individual pledges. Unconditional pledges receivable which are expected to be collected after one year are recorded at the net present value of their estimated future cash flows. Amortization of these discounts is included in contribution revenue in the accompanying statements of activities. At December 31, 2024 and 2023, all pledges receivable were expected to be collected in full within one year.

Investments

Investments are stated at fair value based on quoted market prices. The Fund has engaged professional investment advisors to manage its portfolio. The Board of Directors has provided the firms with guidelines consistent with a socially responsible prudent investment policy and the balanced nature of the Fund. Gains and losses that result from market fluctuations are recognized in the period in which such fluctuation occurs. Cash equivalents held within the Fund's investment accounts are classified as investments. Investment return is reported net of investment management fees on the statements of activities.

The Fund has several endowment funds and long-term donor advised funds that are pooled for investment purposes.

Property and Equipment

All acquisitions and major improvements of property and equipment in excess of \$1,000 are capitalized. Maintenance and repairs which do not extend the useful life of the respective assets are expensed. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment. Estimated useful lives range from three to seven years.

Lease Right-of-Use Assets and Lease Liabilities

At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use asset and lease liability measured at the net present value of future lease payments. Operating leases are expensed on a straight-line basis as lease expense over the noncancelable lease term.

The Fund has made the following accounting policy elections with regard to its lease accounting:

- When the rate implicit in the lease is not determinable, rather than use the Fund's incremental borrowing rate, the Fund uses a risk-free discount rate for the initial and subsequent measurement of lease liabilities for lease.
- The Fund does not apply the lease recognition requirements to all leases with an original term of 12 months or less, for which the Fund is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short term leases will continue to be recorded on a straight-line basis over the lease term.
- The Fund does not apply the lease recognition requirements for all leases with an initial right-of-use asset in alignment with the Fund's capitalization policy.

Asian Pacific Fund

Notes to Financial Statements
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Impairment of Long-Lived Assets

The Fund reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Fair Value Measurements

The Fund carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement standards also require the Fund to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique. The Fund classifies its financial assets and liabilities according to three levels and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 - quoted prices in active markets for identical investments.

Level 2 - other significant observable inputs (including quoted prices for similar instruments, interest rates, prepayment speeds, credit risk, etc.).

Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining fair value instruments).

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Endowment Funds

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. As such, donor restricted endowment funds are classified as net assets with donor restrictions and board designated endowments are reported as net assets without donor restrictions.

Interpretation of Relevant Law

The Board of Directors of the Fund has interpreted California's enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result, for those endowment funds which do not have explicit donor stipulations to the contrary the Fund retain in perpetuity (1) the original value of gifts donated to the endowment, (2) the original value of subsequent gifts donated to the endowment, and (3) additions to the endowment in accordance with donor directions. Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

Asian Pacific Fund

Notes to Financial Statements
December 31, 2024 and 2023

In accordance with the State of California's enacted version of UPMIFA, the Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the endowment fund
- 2) The purposes of the Fund and the endowment funds
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Fund
- 7) The investment policies of the Fund

Return Objectives and Risk Parameters

The Fund has adopted investment and spending policies for endowment assets that attempt to achieve a growth in principal that will support a continuing rise in charitable distributions from its endowments, avoid a high degree of risk and ensure endowment funds will operate in perpetuity. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of at least 5%, while growing the funds if possible. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the Fund to unacceptable levels of risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Fund relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Fund targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy

The spending rate for donor-restricted endowments is set each year as part of the annual budget process for the subsequent fiscal year and is calculated every quarter as a percentage of the average endowed fund balance over the previous 36 months. In accordance with donor instructions, this amount is expendable for either general or specific purposes. For the years ended December 31, 2024 and 2023, appropriations made from the endowments were \$619,853 and \$569,993, respectively, inclusive of administration fees.

Asian Pacific Fund

Notes to Financial Statements
December 31, 2024 and 2023

For the board designated endowment fund the spending rate is set each year as part of the annual budget process for the subsequent fiscal year and is calculated every quarter as a percentage of the ending fund balance. The spending rate amount is expendable for general purposes. For the year ended December 31, 2024 and 2023, appropriations made from the board designated endowment fund were \$147,074 and \$31,165, respectively.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original endowment corpus or amounts required to be maintained by donors or by law (or become "underwater"). Management has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2024, one fund with an original gift value totaling \$874,424, fair value totaling \$639,690, and a deficiency totaling \$234,734 was reported in net assets with donor restrictions. At December 31, 2023, one fund with an original gift value totaling \$873,424, fair value totaling \$598,855, and a deficiency totaling \$274,569 was reported in net assets with donor restrictions. These deficiencies resulted from poor performance of historically held investments during periods of unfavorable market fluctuations and continued spending in line with the Fund's spending policy.

Contributions

Contributions are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Unconditional contributions are recognized as revenue when received or receivable, provided the amount can be reasonably estimated and collection is reasonably assured.

Conditional contributions are recognized as revenue in the period in which the Fund meets the terms of the conditions.

Restricted contributions are recorded to reflect donor-imposed or timing restrictions, including bequests and split-interest agreements. If the Fund receives donated securities, they are liquidated shortly after receipt. Investments received through gifts are recorded at fair value on the date of donation.

Certain contributions include donor recommendations for use and are subject to a variance power agreement approved by the donor. This agreement allows the Fund to modify the use of contributions in a way that differs from the donor's original recommendation. As a result, these contributions are classified as without donor restrictions for financial statement reporting purposes.

Conditional Contributions

Conditional contributions are recognized as contribution revenue only when the underlying conditions and barriers are met. During the year ended December 31, 2024, the Fund satisfied conditions associated with \$100,000 of conditional contributions and recognized that amount as revenue, out of a total conditional contributions balance of \$1,220,000. As of December 31, 2024, the Fund had \$1,120,000 in outstanding conditional contributions, which remain unrecognized and will be recognized when the specified conditions are fulfilled. These conditions include incurring specified expenses related to completing project deliverables related to community-based behavioral health initiatives and mental health services. As of December 31, 2023, there were no conditional contributions outstanding.

Asian Pacific Fund

Notes to Financial Statements
December 31, 2024 and 2023

Functional Expenses

The costs of the Fund's various activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Expenses are allocated to program and supporting services based on the purpose of each expense, services provided for each function, and the respective usage of the Fund's assets. Expenses relating to more than one function are allocated to program service, management and general and fundraising costs based on employee time estimates or other appropriate usage factors.

Grants and Scholarships

Grant and scholarship expenses are recognized in the period the grant or scholarship is approved provided the grant or scholarship is not subject to significant future conditions. Grants and scholarships payable that are expected to be paid after one year are recorded at the present value of expected future payments. At December 31, 2024, and 2023, the Fund was liable for awarded and unconditional scholarships and grants, which were all due in less than one year, in the amount of \$4,821 and \$1,000, respectively.

Conditional grants and scholarships are recognized as grants and scholarships expense and payable in the period in which the grantee or student meets the terms of the conditions. During the year ended December 31, 2024, the Fund awarded conditional grants totaling \$650,000. To meet the condition the grantee must meet specified measurable milestones as disclosed in the grant agreement such the completion of the final research report and participation in program check-ins. During the year ended December 31, 2024, the Fund recognized \$325,000 in grant and direct assistance expense as the conditions were fulfilled. The remaining \$325,000 will be recognized as the respective conditions are met. December 31, 2023, there were no conditional grant commitments outstanding.

Income Taxes

The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California franchise taxes under Section 23701d of the Revenue and Taxation Code. In addition, the Fund qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a). However, income from activities not related to the Fund's tax-exempt purpose may be subject to taxation as unrelated business income.

Each year, management considers whether the Fund has any uncertain tax positions that require recognition in the financial statements, including whether the Fund has engaged in any activities that could affect the Fund's income tax status or result in taxable income. Management believes that any positions the Fund has taken are supported by substantial authority and would more likely than not be sustained upon examination by the applicable taxing authority. Management has determined that the Fund does not have any material uncertain tax positions that require recognition or disclosure in the financial statements.

Subsequent Events

The Fund has evaluated subsequent events for potential recognition and/or disclosure through September 30, 2025, the date which the financial statements were available to be issued.

Asian Pacific Fund

Notes to Financial Statements
December 31, 2024 and 2023

3. Liquidity and Availability of Financial Resources

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following at December 31, 2024 and 2023:

	2024	2023
Cash	\$ 909,652	\$ 745,369
Pledges receivable	456,500	52,900
Investments, at fair value	24,281,834	23,459,480
Total financial assets	25,647,986	24,257,749
Add estimated endowment spending rate distributions	364,381	270,251
Less:		
Net assets with donor restrictions	(16,175,663)	(15,141,927)
Board-designated net assets	(2,940,455)	(2,739,090)
Investments held for donor advised funds	(1,889,989)	(1,774,087)
	(20,641,726)	(19,384,853)
Financial assets available for general expenditures within one year	\$ 5,006,260	\$ 4,872,896

The Fund's endowment funds consist of donor-restricted endowments and a board designated endowment fund. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure. Income from the board designated endowment fund is intended for general purposes. The board designated endowment fund is not available for general expenditures. General expenditures include operating expenses necessary to carry out the Fund's mission and programs, including salaries and benefits, occupancy, professional services, and other administrative costs. These expenditures exclude amounts restricted by donors, board-designated funds, and amounts held for donor-advised funds.

As part of the Fund's liquidity management plan, the Fund may invest cash in excess of daily requirements in short term investments, money market funds or mutual funds.

Asian Pacific Fund

Notes to Financial Statements
December 31, 2024 and 2023

4. Investments and Fair Value Measurements

At December 31, 2024 and 2023, the Fund's investment portfolio and investments by the fair value hierarchy levels consists of the following:

	Fair Value (Level 1)	
	2024	2023
Cash and cash equivalents	\$ 1,288,911	\$ 1,495,775
Equity securities:		
US large cap equity	7,235,878	6,279,318
EAFE equity	1,600,600	1,611,850
European large cap equity	-	247,808
Japanese large cap equity	407,297	473,161
Asia ex-Japan equity	245,161	242,922
Fixed income:		
US fixed income	7,871,731	8,014,588
Non-US fixed income	1,014,158	1,503,707
Global fixed income	3,397,343	2,469,232
Balanced mutual funds	392,231	389,011
Hedge funds:		
Multi-strategy	577,032	289,449
Non-traditional bond	166,255	223,156
Long short equity	85,237	151,121
Managed Futures	-	68,382
Total	<u>\$ 24,281,834</u>	<u>\$ 23,459,480</u>

There have been no changes in valuation techniques and related inputs during the years ended December 31, 2024, and 2023.

5. Equipment, Net

At December 31, 2024 and 2023, equipment, net consists of the following:

	2024	2023
Equipment	\$ 55,289	\$ 55,289
	55,289	55,289
Less accumulated depreciation	<u>(49,925)</u>	<u>(42,204)</u>
Total	<u>\$ 5,364</u>	<u>\$ 13,085</u>

Asian Pacific Fund

Notes to Financial Statements
December 31, 2024 and 2023

6. Net Assets with Donor Restrictions

At December 31, 2024 and 2023, net assets with donor restrictions are restricted for the following purposes or periods:

	2024	2023
Subject to passage of time and the following specified purposes:		
Grant making	\$ 300,000	\$ -
Other programs	50,000	-
	350,000	-
Subject to expenditure for specified purpose:		
Grant making	1,385,130	2,103,178
Educational programs	309,734	302,047
Arts and culture regranting	300,000	-
Financial aid	144,051	128,682
Mental health	117,000	-
	2,605,915	2,533,907
Endowments:		
Subject to spending policy and appropriation:		
General purpose	6,517,162	6,517,162
Educational programs	3,883,923	3,882,923
Financial aid	863,714	823,714
Underwater endowments	(234,734)	(274,569)
	11,030,065	10,949,230
Subject to appropriation and expenditure when specified event occurs:		
Restricted by donors for:		
General purpose	1,580,188	998,534
Educational programs	877,345	635,356
Financial aid	82,150	24,900
	2,539,683	1,658,790
Total endowments	13,569,748	12,608,020
Total net assets with donor restrictions	\$ 16,175,663	\$ 15,141,927

7. Endowments

The Fund's endowments consist of several individual funds established for a variety of purposes. Prior to 2023, the Fund's endowments only included donor-restricted endowments.

During the year ended December 31, 2023, the Fund transferred \$2,500,000 from net assets without donor restrictions to a board designated endowment fund.

Asian Pacific Fund

Notes to Financial Statements
December 31, 2024 and 2023

At December 31, 2024 and 2023, endowment net assets were comprised of the following:

2024			
	Without Donor Restrictions	With Donor Restrictions	Total
Original donor gift amount and amounts required by donor to be maintained in perpetuity	\$ -	\$ 11,264,799	\$ 11,264,799
Designated by the Board	2,500,000	-	2,500,000
Accumulated investment gains	440,455	2,304,949	2,745,404
Endowment net assets, end of year	<u>\$ 2,940,455</u>	<u>\$ 13,569,748</u>	<u>\$ 16,510,203</u>
2023			
	Without Donor Restrictions	With Donor Restrictions	Total
Original donor gift amount and amounts required by donor to be maintained in perpetuity	\$ -	\$ 11,223,799	\$ 11,223,799
Designated by the Board	2,500,000	-	2,500,000
Accumulated investment gains	239,090	1,384,221	1,623,311
Endowment net assets, end of year	<u>\$ 2,739,090</u>	<u>\$ 12,608,020</u>	<u>\$ 15,347,110</u>

At December 31, 2024, and 2023, changes in endowment net assets are as follows:

2024			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 2,739,090	\$ 12,608,020	\$ 15,347,110
Contributions	-	41,000	41,000
Investment return, net	348,440	1,540,581	1,889,021
Appropriations pursuant to spending policy	(147,075)	(619,853)	(766,928)
Endowment net assets, end of year	<u>\$ 2,940,455</u>	<u>\$ 13,569,748</u>	<u>\$ 16,510,203</u>

Asian Pacific Fund

Notes to Financial Statements
December 31, 2024 and 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 11,369,981	\$ 11,369,981
Contributions	-	10,104	10,104
Board designated to endowments	2,500,000	-	2,500,000
Investment return, net	239,090	1,797,928	2,037,018
Appropriations pursuant to spending policy	-	(569,993)	(569,993)
Endowment net assets, end of year	<u>\$ 2,739,090</u>	<u>\$ 12,608,020</u>	<u>\$ 15,347,110</u>

8. Leases

In September 2024, the Fund renewed its short-term lease agreement to rent desk space in San Francisco, California. It is set to expire September 2025.

Right-of-use assets represent the Fund's right to use an underlying asset for the lease term, while lease liabilities represent the Fund's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

The exercise of lease renewal or early termination options is at the Fund's sole discretion. The Fund regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Fund includes such options in the lease term.

In determining the discount rate used to measure right-of-use assets and lease liabilities, the Fund uses the rate implicit in the lease, or if not readily available, the Fund uses a risk-free rate based on U.S. Treasury note or bond rates for a similar term.

The Fund made significant assumptions and judgments in evaluating its leases. In particular, the Fund:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Fund obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;
- Determined whether contracts contain embedded leases;
- Evaluated leases with similar commencement dates, lengths of term, renewal options or other contract terms, which therefore meet the definition of a portfolio of leases, whether to apply the portfolio approach to such leases;
- Evaluated leases that contain a residual value guarantee, whether a payment at the end of the lease term was probable and, accordingly, whether to consider the amount of a residual value guarantee in future lease payments; and
- Allocated consideration in the contract between lease and nonlease components.

The Fund does not have any leasing transactions with related parties.

Asian Pacific Fund

Notes to Financial Statements
December 31, 2024 and 2023

At December 31, 2024 and 2023, the Fund did not have any long-term leases which were still in effect and therefore there were no right-of-use assets or lease liabilities recorded on the accompanying statements of financial position.

Lease expense consisted of the following during the year ended December 31:

	<u>2024</u>	<u>2023</u>
Short-term lease expense	\$ 21,891	\$ 18,748
Total	<u>\$ 21,891</u>	<u>\$ 18,748</u>

9. Concentrations

Credit Risk

Financial instruments that potentially subject the Fund to credit risk consist primarily of cash, cash equivalents, and investments.

Cash and cash equivalents balances with any one institution may, at times, be in excess of federally insured amounts (currently \$250,000 per depositor) set by the Federal Deposit Insurance Corporation (FDIC). The Fund has not experienced any losses in such accounts.

Investments are managed by an investment advisor and, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. To address the risk of investments, the Fund maintains a diversified portfolio subject to an investment policy that sets out performance criteria, investment guidelines, asset allocation guidelines, and requires review of the investment advisor's performance. This entire process is actively overseen by the Board of Directors. Investments are secured up to the limit set by the Securities Investor Protection Corporation (SIPC). As of December 31, 2024 and 2023, the Fund held investments in excess of the SIPC insurance limits (currently \$500,000 per depositor).

Major Donors

For the years ended December 31, 2024 and 2023, 22% and 44% of contribution and grants revenue was received from one donor, respectively.

10. Related-Party Transactions

During the years ended December 31, 2024 and 2023, the Fund received contributions of \$182,030 and \$185,930, respectively, from board members.