

GIVE2ASIA AND SUBSIDIARIES

***FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

DECEMBER 31, 2021 AND 2020

GIVE2ASIA AND SUBSIDIARIES

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**To the Board of Directors of
Give2Asia**

Opinion

We have audited the accompanying consolidated financial statements of Give2Asia and its subsidiaries (collectively “Give2Asia”) (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2021 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Give2Asia and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Give2Asia’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s 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 auditor’s 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 generally accepted auditing standards 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, including omissions, 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.

**To the Board of Directors
Give2Asia**

In performing an audit in accordance with generally accepted auditing standards, 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 Give2Asia'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 Give2Asia'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.

Report on Comparative Information

The financial statements of Give2Asia and its subsidiaries, as of December 31, 2020 and for the year then ended were audited by other auditors whose report dated August 17, 2021, expressed an unmodified opinion on those financial statements.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
November 17, 2022**

GIVE2ASIA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2021 And 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 18,415,902	\$ 12,378,119
Contributions receivable, net <i>(Note 3)</i>	8,894,864	10,054,849
Prepaid expenses and other assets	131,303	149,075
Investments, at fair value <i>(Note 4)</i>	18,697,040	13,288,643
Property and equipment, net <i>(Note 5)</i>	<u>168,894</u>	<u>46,138</u>
Total assets	<u>\$ 46,308,003</u>	<u>\$ 35,916,824</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 428,558	\$ 348,310
Deferred revenue	-	2,000
Grants payable	18,270,137	11,906,793
PPP loan	<u>-</u>	<u>232,000</u>
Total liabilities	<u>18,698,695</u>	<u>12,489,103</u>
Net Assets:		
Without donor restrictions <i>(Note 6)</i> :		
Board-designated disaster relief funds	843,357	2,095,576
Board-designated project funds	-	23,984
Board-designated staff and business development funds	259,750	450,000
Board-designated operational funds-subsiidiaries	92,202	-
Undesignated	<u>14,557,845</u>	<u>7,251,232</u>
Total without donor restrictions	15,753,154	9,820,792
With donor restrictions <i>(Note 7)</i>	<u>11,856,154</u>	<u>13,606,929</u>
Total net assets	<u>27,609,308</u>	<u>23,427,721</u>
Total liabilities and net assets	<u>\$ 46,308,003</u>	<u>\$ 35,916,824</u>

GIVE2ASIA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended December 31, 2021 And 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions	\$ 66,262,449	\$ 65,795	\$ 66,328,244	\$ 49,827,416	\$ 11,177,015	\$ 61,004,431
PPP grant revenue	232,000	-	232,000	-	-	-
Net investment income <i>(Note 4)</i>	146,072	44,238	190,310	101,560	41,266	142,826
Advisory services revenue	341,815	-	341,815	407,552	-	407,552
Gain on sale of property	-	-	-	170,760	-	170,760
Net assets released from restrictions <i>(Note 7)</i>	2,777,542	(2,777,542)	-	2,922,294	(2,922,294)	-
Releases (designations) from board-designated business development funds	-	-	-	(450,000)	-	(450,000)
Total support and revenue	<u>69,759,878</u>	<u>(2,667,509)</u>	<u>67,092,369</u>	<u>52,979,582</u>	<u>8,295,987</u>	<u>61,275,569</u>
Expenses:						
Program	<u>62,843,273</u>	<u>-</u>	<u>62,843,273</u>	<u>47,660,557</u>	<u>-</u>	<u>47,660,557</u>
Supporting services:						
General and administrative	1,029,200	-	1,029,200	1,308,806	-	1,308,806
Fundraising	<u>474,586</u>	<u>-</u>	<u>474,586</u>	<u>407,026</u>	<u>-</u>	<u>407,026</u>
Total supporting services	<u>1,503,786</u>	<u>-</u>	<u>1,503,786</u>	<u>1,715,832</u>	<u>-</u>	<u>1,715,832</u>
Total expenses	<u>64,347,059</u>	<u>-</u>	<u>64,347,059</u>	<u>49,376,389</u>	<u>-</u>	<u>49,376,389</u>
Change in net assets from operations	5,412,819	(2,667,509)	2,745,310	3,603,193	8,295,987	11,899,180
Other changes in net assets:						
Net realized and unrealized gain on investments <i>(Note 4)</i>	519,543	916,734	1,436,277	521,300	392,242	913,542
Designations (releases) from board-designated business development funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>
Change in net assets	5,932,362	(1,750,775)	4,181,587	4,574,493	8,688,229	13,262,722
Net assets						
Beginning of year	<u>9,820,792</u>	<u>13,606,929</u>	<u>23,427,721</u>	<u>5,246,299</u>	<u>4,918,700</u>	<u>10,164,999</u>
End of year	<u>\$ 15,753,154</u>	<u>\$ 11,856,154</u>	<u>\$ 27,609,308</u>	<u>\$ 9,820,792</u>	<u>\$ 13,606,929</u>	<u>\$ 23,427,721</u>

See notes to financial statements.

GIVE2ASIA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2021 And 2020

Expenses	2021				2020			
	Program	Supporting Services			Program	Supporting Services		
		General And Administrative	Fundraising	Total		General And Administrative	Fundraising	Total
Grant	\$ 60,092,695	\$ -	\$ -	\$ 60,092,695	\$ 45,566,549	\$ 4,305	\$ 1,472	\$ 45,572,326
Salaries and wages	886,539	479,379	332,051	1,697,969	851,860	609,841	268,403	1,730,104
Contractual services	1,177,470	156,954	9,801	1,344,225	812,555	332,377	8,761	1,153,693
Payroll taxes and benefits	321,092	134,519	108,717	564,328	239,587	162,699	78,868	481,154
Facilities	69,230	49,750	-	118,980	66,182	44,520	8,374	119,076
Information technology	87,333	66,479	3,256	157,068	49,931	39,930	11,135	100,996
Communication and supplies	19,324	7,967	8,482	35,773	21,864	17,786	26,256	65,906
Travel	109,808	18,119	12,235	140,162	33,221	23,521	1,573	58,315
Other expenses	30,587	92,389	-	122,976	3,890	53,212	-	57,102
Insurance	37,193	7,601	-	44,794	8,233	10,666	2,184	21,083
Depreciation	-	14,649	-	14,649	-	9,949	-	9,949
Office expenses	12,002	1,394	44	13,440	6,685	-	-	6,685
Total expenses	<u>\$ 62,843,273</u>	<u>\$ 1,029,200</u>	<u>\$ 474,586</u>	<u>\$ 64,347,059</u>	<u>\$ 47,660,557</u>	<u>\$ 1,308,806</u>	<u>\$ 407,026</u>	<u>\$ 49,376,389</u>

GIVE2ASIA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2021 And 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 4,181,587	\$ 13,262,722
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gain on investments	(1,436,277)	(913,542)
(Gain) loss on sale of property and equipment	-	(170,760)
Depreciation	14,649	9,949
Contributions restricted for endowment	-	(8,313,620)
Investment income restricted for endowment	(44,238)	(41,266)
(Increase) decrease in		
Contributions receivable	1,159,985	740,944
Prepaid expenses and other assets	17,772	(22,735)
Increase (decrease) in		
Accounts payable and accrued expenses	80,248	35,738
Deferred revenue	(2,000)	(37,500)
Refundable advance	(232,000)	232,000
Grants payable	<u>6,363,344</u>	<u>(441,680)</u>
Net cash provided by operating activities	<u>10,103,070</u>	<u>4,340,250</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(137,405)	(37,377)
Proceeds from sale of property and equipment	-	279,850
Proceeds from sale of investments	6,198,531	2,283,169
Purchase of investments	<u>(10,170,651)</u>	<u>(7,250,397)</u>
Net cash used in investing activities	<u>(4,109,525)</u>	<u>(4,724,755)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contribution restricted for endowment	-	4,653,670
Investment income restricted for endowment	<u>44,238</u>	<u>41,266</u>
Net cash provided by financing activities	<u>44,238</u>	<u>4,694,936</u>
Net increase in cash and cash equivalents	6,037,783	4,310,431
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>12,378,119</u>	<u>8,067,688</u>
End of year	<u>\$ 18,415,902</u>	<u>\$ 12,378,119</u>

GIVE2ASIA AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 And 2020

(1) ORGANIZATION AND NATURE OF ACTIVITIES

Give2Asia (“Give2Asia US”) is a nonprofit public benefit corporation which was incorporated on October 2, 2000. From its headquarters in Oakland, California, Give2Asia US provides philanthropic services which enhance the growth of civil society in Asia by increasing the flow of philanthropic capital to that region. Give2Asia US offers donors a flexible menu of giving options, providing individuals, families, corporations and foundations with the ability to recommend support to a specific charity, or to request advice on grant-making opportunities in a particular country or for a particular cause. Give2Asia US provides services to overcome the challenges associated with giving overseas, with a goal of making United States-Asia philanthropy cost-effective, accessible and secure.

Give2Asia US was originally founded by another nonprofit organization, The Asia Foundation, but established separate legal standing in 2012. In certain countries, the Asia Foundation’s field office staff continued to assist Give2Asia US through 2021 in conducting due diligence inquiries before disbursing funds and monitor grantees as needed. The Asia Foundation has neither a controlling interest in Give2Asia US nor an economic interest.

In February 2012, the Give2Asia Foundation Ltd. (the “Foundation”) was incorporated as a new not-for-profit organization under the Companies Ordinance, Chapter 32 of the Laws of Hong Kong. The Foundation was set up by Give2Asia US and shares a common purpose and mission to expand Give2Asia US’s reach for philanthropy in Asia. The Foundation is operated by the same management team as Give2Asia US and is governed by a blended board combining members of the Board of Directors of Give2Asia US and independent directors. Accordingly, since Give2Asia US exerts control over the operations and governance of the Foundation, the Foundation is consolidated into these financial statements. The two entities are collectively referred to as “Give2Asia.” All intercompany balances and transactions have been eliminated in consolidated financial statements.

During 2016, China implemented a new law that requires all foreign non-governmental organizations to register and establish a formal presence in mainland China before they are able to issue grants. Give2Asia successfully registered a Country Representative Office in June 2017.

In April 2016, GA Advisors, LLC (“GA Advisors”) was formed in Delaware as a for-profit limited liability company for the purpose of holding the registered China grant-making entity, once the registration process is complete. In 2020, GA Advisors was dissolved.

In April 2020, Give2Asia Australia Limited (“Give2Asia Australia”) became a certified registered company under the Australian Securities and Investments Commission as a charity. Give2Asia Australia is a consolidated single member company, but had no activity during the year ended December 31, 2020. Give2Asia Australia began operations during the year ended December 31, 2021.

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

PROGRAMS

Give2Asia makes grants to charitable projects in 23 Asia-Pacific countries and territories including Afghanistan, Australia, Bangladesh, Cambodia, China, India, Indonesia, Japan, Korea, Laos, Malaysia, Mongolia, Myanmar, Nepal, New Zealand, the Pacific Islands, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand, Timor-Leste and Vietnam. Give2Asia offers the following services to help both donors and charitable groups:

Advised Grant Making: Give2Asia supports charitable projects in Asia by making gifts from Donor Advised Funds, Endowed Funds and Advised Giving accounts. Grants from these accounts are advised upon by donors, and support a wide range of charitable causes across 23 different countries and territories in the Asia Pacific region. Donations into these accounts are tax deductible for donors giving from the United States or Hong Kong.

Fiscal Sponsorship: Give2Asia helps partners with charitable projects in Asia to benefit from donations to Give2Asia from their U.S.-based supporters. This service is a partnership between Give2Asia and entities in Asia such as universities, nonprofits, and other groups allowing them to raise money for their charitable projects from US donors.

Disaster Preparedness & Response: Give2Asia makes grants to partners in Asia working to help communities prepare for and respond to local disasters. Funds for these programs come from third-party donations and online fundraising for special funds at Give2Asia. When grants are made, Give2Asia makes decisions on specific projects to support based on its research and input from on-the-ground advisors.

Advisory Services: Give2Asia provides research and special staffing for philanthropic partners wishing to understand issue-specific needs in Asia, identify potential Asia-based partners, vet specific charitable groups and projects, manage grant portfolios, oversee the grant-making process, and support relationships between various donor and grantee stakeholders.

Crowd Funding: Give2Asia supports the charitable interests of donors by providing services that enable them to collect funds from multiple other donors within their professional and personal network. This service enables donors to create an online giving page at Give2Asia.org, and also provides a platform for receiving other forms of contributions into their account at Give2Asia. Often these services help to facilitate tax-deductible giving from corporate employees or into charitable campaigns started by associations, foundations and individuals.

GENERAL AND ADMINISTRATIVE

Give2Asia's management and general includes the functions necessary to support the grant making programs, ensure an adequate working environment, secure proper administrative functioning of the management and manage financial and budgetary responsibilities.

FUNDRAISING

Give2Asia's fundraising provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION AND PRESENTATION

The consolidated financial statements are prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America specific to nonprofit organizations. The consolidated financial statements include the accounts of Give2Asia US, the Foundation, GA Advisors and Give2Asia Australia, collectively referred to as “Give2Asia.” All material intercompany transactions and balances have been eliminated.

NET ASSETS

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Give2Asia are classified and reported as follows:

Net Assets with Donor Restrictions: Net assets with donor restrictions are the net assets of Give2Asia that are subject to donor-imposed restrictions. The restrictions may expire with time or may be satisfied by the actions of Give2Asia according to the intention of the donor or must be maintained permanently by Give2Asia. Upon satisfaction of such restrictions, the associated net assets are released from net assets with donor restrictions and reported as net assets without donor restrictions.

Net Assets without Donor Restrictions: Net assets without donor restrictions are the net assets of Give2Asia that are not subject to donor-imposed restrictions. Board designated funds are those net assets without donor restrictions subject to self-imposed limits by action of the board.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash, money market accounts and highly liquid investments with original maturities of three months or less from date of purchase. This balance also includes cash in Asia which is maintained in foreign currencies and translated, for reporting purposes, into U.S. dollars at the appropriate free market exchange rates.

ACCOUNTING ESTIMATES

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

CONTRIBUTIONS RECEIVABLE

Contributions receivable include certain unconditional promises to give. Contributions receivable expected to be collected within one year are recorded at net realizable value. Contributions receivable in greater than one year are discounted to present value. Contributions receivable expected to be received within one year is \$8,757,314 and \$10,054,849, for the years ended December 31, 2021 and 2020, respectively. An allowance for uncollectible contributions receivable is established based upon estimated losses related to specific accounts and is recorded through a provision for bad debt which is charged to expense. No allowance was deemed necessary as of December 31, 2021 and 2020.

INVESTMENTS

Investments are reported at their fair values with associated income and gains and losses recorded on the accompanying statement of activities. The fair value of investments traded on a securities exchange is determined based on quoted market prices. Contributions of marketable securities are recorded at their market values on the dates of donation.

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, net of depreciation, and depreciated on a straight-line basis over the estimated useful life of the assets, generally 3 to 5 years for furniture, equipment, and computer software and 40 years for buildings. Additions of property are capitalized if the cost is \$2,000 or greater. Maintenance and repairs are charged to expense as incurred. Costs for software development are capitalized as incurred and depreciated upon placement into service.

GRANTS EXPENSE AND PAYABLE

Grants payable consist of unpaid approved grant commitments. These commitments are recognized upon board of director approval and receipt of a signed grant agreement. In the case of fiscal sponsorship accounts, the entire balance of cash, investments, and contributions receivable of all fiscal sponsorship funds is considered payable at year-end. All grants payable are expected to be disbursed within one year.

REVENUE RECOGNITION

CONTRIBUTIONS

Give2Asia reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts-in-kind are recorded at fair value on the date of receipt.

The majority of the contributions received by Give2Asia, including certain contributions received with donor recommendations for use of those contributions, are subject to the variance power acknowledged by the donor's signed agreement form or other forms of communications. This variance power provides Give2Asia's Board of Directors the ability to modify the use of the contribution in a manner that differs from a donor's original recommendation. As a result of this variance power, such contributions are classified as without donor restrictions for financial statement reporting purposes.

Give2Asia recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the conditions on which they depend have been met.

ADVISORY SERVICES REVENUE

Give2Asia recognizes revenue when control of promised goods or services is transferred to customers in an amount that reflects the consideration to which Give2Asia expects to be entitled to in exchange for those goods or services.

Give2Asia determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, a performance obligation is satisfied.

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

Advisory services revenue agreements typically consist of a single performance obligation and are recognized at the point in time the specified services and findings are delivered to customers. These services are contracted separately from any advised funds or grants, but often result in a grant being made. Deferred revenue was \$2,000 for the year ended December 31, 2020.

FUNCTIONAL EXPENSE ALLOCATIONS

Expenses are summarized and categorized based upon their functional classification as either program, general and administrative or fundraising in the statements of activities and changes in net assets. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied.

The expenses that are allocated include salaries and related payroll taxes and benefits, as well as insurance, facilities costs, depreciation and other expenses, which are allocated on the basis of estimated time and effort by employees.

INCOME TAXES

Give2Asia is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3) of the Internal Revenue Code and recognized as a public charity under Section 509(a)(1) of the Internal Revenue Code, and has been recognized by the California Franchise Tax Board as exempt from California franchise taxes on income other than unrelated business income under Revenue and Taxation Code Section 23701(d).

Management has reviewed the tax positions for the open tax years (2018 - 2020) or expected to be taken on Give2Asia's 2021 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

GA Advisors was a single member LLC, but had no activity as of December 31, 2020, and therefore was disregarded for tax purposes.

The Foundation was incorporated as a not-for-profit organization under the Companies Ordinance, Chapter 32 of the Laws of Hong Kong. The Foundation is exempt from income tax under section 88 of the Inland Revenue Ordinance.

Give2Asia Australia has been recognized by the Australian Taxation Office as an organization exempt from income tax under Subdivision 30-BA of the Income Tax Assessment Act 1997.

CONCENTRATION OF CREDIT RISK

Give2Asia occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification ("**ASC**") 825, "**Financial Instruments**", identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

MEASURE OF OPERATIONS

In its statement of activities, Give2Asia includes in its definition of operations all revenues and expenses that are an integral part of its program. Funds designated or released from board designation related to staff and business development funds are recognized as other changes in net assets.

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the statement of financial position and disclosing key information about leasing arrangements. The ASU is effective for private entities for fiscal years beginning after December 15, 2021. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach. Give2Asia plans to adopt the new ASU at the required implementation date.

RECLASSIFICATIONS

Certain reclassifications were made to the 2021 financial statements to conform to the 2022 presentation.

(3) CONTRIBUTIONS RECEIVABLE

Contributions receivable are due as follows at December 31:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 8,757,314	\$ 10,054,849
Receivable in one to five years	<u>137,550</u>	<u>-</u>
Total grants receivable	<u>\$ 8,894,864</u>	<u>\$ 10,054,849</u>

(4) INVESTMENTS

The components of marketable securities at December 31 are:

	<u>2021</u>	<u>2020</u>
	<u>Market</u>	<u>Market</u>
Cash Equivalents	\$ 175,151	\$ 4,653,670
Corporate Bonds	100,762	-
Equities	8,173,747	1,783,805
Other Exchange Traded Securities	5,891,776	3,201,998
Mutual Funds		
Bond	1,403,214	1,338,793
Equity	<u>2,952,390</u>	<u>2,310,377</u>
	<u>\$ 18,697,040</u>	<u>\$ 13,288,643</u>

The following summarizes the investment return for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest and dividend income, net of investment fees of \$105,901 in 2021 and \$46,556 in 2020	\$ 190,310	\$ 142,826
Unrealized gain on investments	<u>1,436,277</u>	<u>913,542</u>
Total investment income	<u>\$ 1,626,587</u>	<u>\$ 1,056,368</u>

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

Give2Asia utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that Give2Asia has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instruments on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Foundation’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The summary of inputs used to value Give2Asia’s investments as of December 31, 2021 and 2020 are as follows:

	2021			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash Equivalents	\$ 175,151	\$ 175,151	\$ -	\$ -
Corporate Bonds	100,762	-	100,762	-
Equities	8,173,747	8,173,747	-	-
Other Exchange Traded Securities	5,891,776	5,891,776	-	-
Mutual Funds				
Bond	1,403,214	1,403,214	-	-
Equity	<u>2,952,390</u>	<u>2,952,390</u>	<u>-</u>	<u>-</u>
	<u>\$18,697,040</u>	<u>\$18,596,278</u>	<u>\$100,762</u>	<u>\$-</u>

	2020			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash Equivalents	\$ 4,653,670	\$ 4,653,670	\$ -	\$ -
Equities	1,783,805	1,783,805	-	-
Other Exchange Traded Securities	3,201,998	3,201,998	-	-
Mutual Funds				
Bond	1,338,793	1,338,793	-	-
Equity	<u>2,310,377</u>	<u>2,310,377</u>	<u>-</u>	<u>-</u>
	<u>\$13,288,643</u>	<u>\$13,288,643</u>	<u>\$-</u>	<u>\$-</u>

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

(5) PROPERTY AND EQUIPMENT

Give2Asia's property and equipment were comprised of the following at December 31;

	<u>2021</u>	<u>2020</u>
Computers, software and equipment	\$ 241,743	\$ 227,992
Work in progress	<u>136,388</u>	<u>12,420</u>
	378,131	240,412
Less accumulated depreciation	<u>(209,237)</u>	<u>(194,274)</u>
Property and equipment, net	<u>\$ 168,894</u>	<u>\$ 46,138</u>

(6) BOARD DESIGNATED NET ASSETS

Board designated net assets consist of funds designated for disaster relief. Activities were as follows as of and for the years ended December 31, 2021 and 2020:

	<u>2021</u>				<u>Total</u>
	<u>Disaster Relief Funds</u>	<u>Project Funds</u>	<u>Staff Business Development Funds</u>	<u>Operational Funds-Subsidiaries</u>	
Board designated net assets, beginning of year	\$ 2,095,576	\$ 23,984	\$ 450,000	\$ -	\$ 2,569,560
Designated funds added	3,435,851	-	-	300,917	3,736,768
Amounts appropriated for expenditure	<u>(4,688,070)</u>	<u>(23,984)</u>	<u>(190,250)</u>	<u>(208,715)</u>	<u>(5,111,019)</u>
Board designated net assets, end of year	<u>\$ 843,357</u>	<u>\$ -</u>	<u>\$ 259,750</u>	<u>\$ 92,202</u>	<u>\$ 1,195,309</u>

	<u>2020</u>				<u>Total</u>
	<u>Disaster Relief Funds</u>	<u>Project Funds</u>	<u>Staff Business Development Funds</u>		
Board designated net assets, beginning of year	\$ 123,262	\$ -	\$ -		\$ 123,262
Designated funds added	8,826,832	95,869	450,000		9,372,701
Amounts appropriated for expenditure	<u>(6,854,518)</u>	<u>(71,885)</u>	<u>-</u>		<u>(6,926,403)</u>
Board designated net assets, end of year	<u>\$ 2,095,576</u>	<u>\$ 23,984</u>	<u>\$ 450,000</u>		<u>\$ 2,569,560</u>

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

(7) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Contributions receivable/ time restrictions	\$ -	\$ 2,465,030
Purpose restrictions:		
Accumulated endowment earnings	1,679,100	784,919
Transnational giving Asia network	200,598	328,023
Disaster preparedness	-	52,501
Total purpose restrictions	<u>1,879,698</u>	<u>1,165,443</u>
Endowment	<u>9,976,456</u>	<u>9,976,456</u>
Total net assets with donor restrictions	<u>\$11,856,154</u>	<u>\$13,606,929</u>

Net assets were released from donor restrictions by satisfying the conditions of time and for the following restricted purposes during the years ended December 31:

	<u>2021</u>	<u>2020</u>
Time restriction	\$ 2,465,030	\$ 2,159,003
Purpose restrictions:		
Endowment appropriations	66,791	99,674
Transnational Giving Asia network	127,516	80,342
Disaster preparedness	118,205	504,887
Sustainable seafood project	-	11,388
Indonesia Grantmaking	-	67,000
Total	<u>\$ 2,777,542</u>	<u>\$ 2,922,294</u>

ENDOWMENT FUNDS

Give2Asia's endowment funds consists of two donor-restricted funds: a perpetual endowment fund established for a variety of activities to strengthen the lives of rural poor children and women with a preference to the Guizhou Province and a term endowment fund established by King Baudouin Foundation ("KBF") to develop a worldwide, multi-partner network to stimulate and facilitate cross-border giving. The KBF term endowment will continue for six years and automatically renew for successive renewal terms of six years each, unless terminated by the donor. In the event of termination, Give2Asia is to return the lesser of the principal contributed by the donor or the balance in the fund on the effective date of the termination. As required by GAAP in the United States, net assets associated with endowment funds, including funds designated by Give2Asia to function as endowments, are classified and reported based upon the existence or absence of donor-imposed restrictions.

The Uniform Prudent Management of Institutional Funds Act ("**UPMIFA**") has been adopted by the State of California. Give2Asia considers the language of a specific endowment agreement as the primary determinant of the application of spending policy to a donor-restricted endowment. UPMIFA permits the continued payout of a prudent amount under the endowment agreement, even when the fair value of the endowment principal is below its historic-dollar-value, with the expectation that over time the endowment principal will remain intact. The historic-dollar-value is defined as the fair value of the original gift and subsequent gifts as of the gift date, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor instrument.

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

INTERPRETATION OF RELEVANT LAW

Give2Asia has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Give2Asia classifies net assets with donor restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund (i.e. the accumulated realized and unrealized gains/losses) is also classified in net assets with donor restrictions until those amounts are appropriated for expenditure by Give2Asia in a manner consistent with the standard of prudence prescribed by UPMIFA.

ENDOWMENT SPENDING AND DISTRIBUTION POLICY

Give2Asia considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of Give2Asia 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 Give2Asia
7. The investment policies of Give2Asia

Give2Asia has a policy of appropriating for distribution a maximum each year of between 4% and 5% of its endowment fund's average fair value, except for pledges, over the prior 12 quarters through the calendar year-end proceeding the fiscal year in which the distribution is planned. In establishing this policy, Give2Asia considered the long-term expected return on its endowment. Accordingly, over the long term, Give2Asia expects the current spending policy to allow its endowment to grow at a rate equal to or greater than planned payouts over a complete market cycle. Additional real growth will be provided by new gifts.

Depending upon market conditions and the needs and available resources of Give2Asia, appropriations from individual endowments may be temporarily suspended to facilitate preservation of the endowment.

UNDERWATER FUNDS

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). Give2Asia's Board of Directors has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. None of Give2Asia's endowments are underwater as of December 31, 2021 and 2020.

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

The following presents endowment net asset composition by type of fund as of December 31, 2021 and 2020:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted term endowment fund:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 8,313,620	\$ 8,313,620
Accumulated appreciation	<u>-</u>	<u>540,401</u>	<u>540,401</u>
Total term endowment fund	<u>-</u>	<u>8,854,021</u>	<u>8,854,021</u>
Donor-restricted perpetual endowment fund:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,662,836	1,662,836
Accumulated appreciation	<u>-</u>	<u>1,138,699</u>	<u>1,138,699</u>
Total perpetual endowment fund	<u>-</u>	<u>2,801,535</u>	<u>2,801,535</u>
Total funds	<u>\$ -</u>	<u>\$ 11,655,556</u>	<u>\$ 11,655,556</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted term endowment fund:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 8,313,620	\$ 8,313,620
Accumulated appreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total term endowment fund	<u>-</u>	<u>8,313,620</u>	<u>8,313,620</u>
Donor-restricted perpetual endowment fund:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,662,836	1,662,836
Accumulated appreciation	<u>-</u>	<u>784,919</u>	<u>784,919</u>
Total perpetual endowment fund	<u>-</u>	<u>2,447,755</u>	<u>2,447,755</u>
Total funds	<u>\$ -</u>	<u>\$ 10,761,375</u>	<u>\$ 10,761,375</u>

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

Changes in endowment net assets were as follows for the years ended December 31:

	<u>2021</u>
Endowment net assets, beginning of year	\$ 10,761,375
Contributions	-
Net investment earnings	960,972
Amounts appropriated for expenditure	<u>(66,791)</u>
Endowment net assets, end of year	<u>\$ 11,655,556</u>

	<u>2020</u>
Endowment net assets, beginning of year	\$ 2,113,921
Contributions	8,313,620
Net investment earnings	433,508
Amounts appropriated for expenditure	<u>(99,674)</u>
Endowment net assets, end of year	<u>\$ 10,761,375</u>

(8) COMMITMENTS AND CONTINGENCIES

LEASE COMMITMENTS

Give2Asia has a lease agreement for shared office space in Oakland, that expires in February 2022. This lease was renewed through February 2023 for reduced space and monthly rent. Give2Asia also leases two office spaces for its Beijing operations under two separate non-cancelable operating leases, one of which expires in December 2022, the other in September 2023. Total rent expense was \$111,523 and \$64,417 for the years ended December 31, 2021 and 2020, respectively. During the year ending December 31, 2020, Give2Asia had been granted three months of rent at no cost for their Oakland office space due to COVID-19.

Future minimum rental commitments under this lease are as follows:

<u>Year Ending December</u>	
2022	\$ 83,056
2023	<u>37,839</u>
	<u>\$ 120,895</u>

(9) COVID-19 AND PAYCHECK PROTECTION PROGRAM

In December 2019, a novel strain of the coronavirus (“COVID-19”) was reported in China. The World Health Organization has declared COVID-19 to constitute a “Public Health Emergency of International Concern”. This outbreak has affected virtually every industry and has created volatility in the stock markets throughout the world. Many federal and state governments have implemented numerous restrictions, mandated various closures and quarantine requirements in connection with the COVID-19 outbreak. The extent of the impact of COVID-19 on Give2Asia’s operational and financial performance will depend on future developments, including the duration and spread of the outbreak and the impact on the Foundation’s funders, donors, employees and vendors, all of which are uncertain and cannot be predicted.

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

In April 2020, Give2Asia received a \$232,000 loan under the Small Business Administration's ("**SBA**") Paycheck Protection Program (the "**PPP Loan**"). Give2Asia considered this to be a conditional contribution as it expected to meet the criteria for loan forgiveness. Give2Asia considered the incurrence of eligible expenses and the acceptance of its application for forgiveness by the SBA to be barriers in the PPP Loan agreement and as such, recorded the PPP Loan as a refundable advance as of December 31, 2020, and would recognize contribution income when these conditions were substantially met. If such conditions were not met, Give2Asia was required to repay the PPP Loan in two years from the date of the agreement at a 1% annual interest rate. As Give2Asia had met all PPP loan conditions on incurred expenses of \$232,000, on May 26, 2021, the Organization was notified by the SBA that the loan had been forgiven. As such, for the year ended December 31, 2021, \$232,000 has been included in the Statement of Activities and Changes in Net Assets as PPP grant revenue.

(10) RELATED PARTY TRANSACTIONS

A member of the board of Give2Asia is affiliated with The Asia Foundation ("**TAF**"). During the years ended December 31, 2021 and 2020, Give2Asia incurred \$8,448 and \$27,040, respectively, in service fees from TAF.

The agreement for establishing the term endowment for the King Baudouin Foundation included appointment of two KBF representatives to serve on the board of Give2Asia (*see Note 7*).

(11) DEFINED CONTRIBUTION PENSION PLAN

Give2Asia employees are covered by a defined contribution pension plan. Give2Asia provides a 403(b) defined contribution retirement plan for its U.S. employees as a cooperating institution in the Teachers Insurance and Annuity Association/College Retirement Equities Fund ("**TIAA/CREF**"). Give2Asia's contributions to the plan were \$114,804 and \$104,042 for the years ended December 31, 2021 and 2020, respectively.

(12) CONCENTRATIONS

CONTRIBUTIONS RECEIVABLE

Give2Asia has three donors at December 31, 2021 and 2020, representing 73% and 71% of the total contributions receivable, respectively.

SUPPORT

For the year ended December 31, 2021, approximately 43% of the support from foundations, corporations, and individuals was from four funding sources. For the year ended December 31, 2020, approximately 30% of the support from foundations, corporations, and individuals was from two funding sources.

GIVE2ASIA AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2021 And 2020

(13) LIQUIDITY AND AVAILABILITY

Give2Asia strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of daily cash requirements are invested in an interest bearing cash account. As part of Give2Asia's liquidity management, it has a practice to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Give2Asia has the following financial assets available to meet cash needs for general expenditures within one year as of December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 18,415,902	\$ 12,378,119
Contributions receivable due in less than one year	8,757,314	10,054,849
Investments	<u>18,697,040</u>	<u>13,288,643</u>
Total financial assets	45,870,256	35,721,611
Contractual or donor-imposed restrictions:		
Endowments	(11,655,556)	(10,761,375)
Board-designated net assets for disaster recovery	(843,357)	(2,095,576)
Board-designated net assets for projects	-	(23,984)
Board-designated net assets for business development	(259,750)	(450,000)
Board-designated net assets for operational funds-subidiaries	(92,202)	-
Donor restricted contributions expected to be released in more than one year	<u>-</u>	<u>(52,501)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 33,019,391</u>	<u>\$ 22,338,175</u>

Although Give2Asia does not intend to spend from its Board designated funds of approximately \$1.2 million and \$2.6 million for the years ended December 31, 2021 and 2020, respectively, amounts from those funds could be made available, if necessary, with Board approval.

(14) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, November 17, 2022, have been evaluated in the preparation of the financial statements.

Give2Asia is not aware of any subsequent events, which would require recognition or disclosure in the financial statements.