
ASIAN AMERICANS - PACIFIC ISLANDERS IN PHILANTHROPY

FINANCIAL STATEMENTS

June 30, 2018

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2017)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

ASIAN AMERICANS-PACIFIC ISLANDERS IN PHILANTHROPY

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Asian Americans - Pacific Islanders in Philanthropy
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of Asian Americans - Pacific Islanders in Philanthropy, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asian Americans - Pacific Islanders in Philanthropy as of June 30, 2018, 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.

Report on Summarized Comparative Information

We have previously audited the Asian Americans - Pacific Islanders in Philanthropy's June 30, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 19, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosby + Lanida CPAs LLP

Oakland, California
November 21, 2018

ASIAN AMERICANS-PACIFIC ISLANDERS IN PHILANTHROPY

**Statement of Financial Position
June 30, 2018
(With Comparative Totals as of June 30, 2017)**

	2018	2017
Assets		
Current Assets		
Cash	\$ 914,418	\$ 758,607
Grants and accounts receivable	860,182	88,000
Prepaid expense	12,107	10,684
Total current assets	1,786,707	857,291
Property and equipment, net (Note 3)	2,530	3,335
Deposits	8,300	8,300
Total Assets	\$ 1,797,537	\$ 868,926
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 25,408	\$ 90,621
Accrued vacation	23,834	20,329
Deferred revenue	2,500	5,000
Total Liabilities	51,742	115,950
Commitments and Contingencies (Notes 4 and 5)		
Net Assets		
Unrestricted	341,853	489,876
Temporarily restricted (Note 6)	1,403,942	263,100
Total Net Assets	1,745,795	752,976
Total Liabilities and Net Assets	\$ 1,797,537	\$ 868,926

See Notes to the Financial Statements

ASIAN AMERICANS-PACIFIC ISLANDERS IN PHILANTHROPY

**Statement of Activities
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	Unrestricted	Temporarily Restricted	Total	
			2018	2017
Support and Revenue				
Support				
Grants and contributions	\$ 24,589	\$ 1,611,034	\$ 1,635,623	\$ 415,266
Institutional memberships	271,750	48,000	319,750	161,250
Total Support	<u>296,339</u>	<u>1,659,034</u>	<u>1,955,373</u>	<u>576,516</u>
Revenue				
Individual memberships	12,500		12,500	13,750
Conference fees	14,875		14,875	14,111
Interest income	800		800	-
Other	1,115		1,115	1,630
Total Revenue	<u>29,290</u>	<u>-</u>	<u>29,290</u>	<u>29,491</u>
Net assets released from donor restrictions (Note 6)	518,192	(518,192)	-	-
Total Support and Revenue	<u>843,821</u>	<u>1,140,842</u>	<u>1,984,663</u>	<u>606,007</u>
Expenses				
Program	718,888		718,888	789,320
Management and general	241,803		241,803	262,663
Fundraising	31,153		31,153	33,205
Total Expenses	<u>991,844</u>	<u>-</u>	<u>991,844</u>	<u>1,085,188</u>
Change in Net Assets	(148,023)	1,140,842	992,819	(479,181)
Net Assets, beginning of year	<u>489,876</u>	<u>263,100</u>	<u>752,976</u>	<u>1,232,157</u>
Net Assets, end of year	<u>\$ 341,853</u>	<u>\$ 1,403,942</u>	<u>\$ 1,745,795</u>	<u>\$ 752,976</u>

See Notes to the Financial Statements

ASIAN AMERICANS-PACIFIC ISLANDERS IN PHILANTHROPY

**Statement of Cash Flows
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 992,819	\$ (479,181)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	805	3,156
Change in assets and liabilities:		
Grants and accounts receivable	(772,182)	415,300
Prepaid expense	(1,423)	2,458
Deposits	-	1,797
Accounts payable and accrued expenses	(65,213)	15,491
Accrued vacation	3,505	20,329
Deferred revenue	(2,500)	1,938
Net cash provided (used) by operating activities	155,811	(18,712)
Net change in cash	155,811	(18,712)
Cash, beginning of year	758,607	777,319
Cash, end of year	\$ 914,418	\$ 758,607

See Notes to the Financial Statements

ASIAN AMERICANS-PACIFIC ISLANDERS IN PHILANTHROPY

**Statement of Functional Expenses
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	Programs		Total Program	Management and General	Fundraising	Total	
	Projects	Membership				2018	2017
Salaries	\$ 179,837	\$ 132,522	\$ 312,359	\$ 85,780	\$ 22,248	\$ 420,387	\$ 467,796
Employee benefits	17,312	12,757	30,069	8,258	2,142	40,469	62,252
Payroll taxes	14,401	10,612	25,013	6,869	1,782	33,664	37,815
Total Personnel	<u>211,550</u>	<u>155,891</u>	<u>367,441</u>	<u>100,907</u>	<u>26,172</u>	<u>494,520</u>	<u>567,863</u>
Regrants and matching grants	68,718	3,000	71,718	-	-	71,718	134,709
Fees for service	19,410	17,270	36,680	111,555	-	148,235	160,716
Office expenses	6,610	4,871	11,481	3,153	818	15,452	9,467
Information technology	6,605	4,867	11,472	3,151	817	15,440	5,589
Occupancy	22,777	16,784	39,561	10,864	2,818	53,243	95,151
Travel, conferences and meetings	63,738	109,389	173,127	10,136	-	183,263	98,172
Depreciation	344	254	598	164	43	805	3,156
Dues and membership	2,042	1,505	3,547	977	253	4,777	4,984
Insurance	1,879	1,384	3,263	896	232	4,391	3,884
Miscellaneous			-	-	-	-	1,497
Total Expenses	<u>\$ 403,673</u>	<u>\$ 315,215</u>	<u>\$ 718,888</u>	<u>\$ 241,803</u>	<u>\$ 31,153</u>	<u>\$ 991,844</u>	<u>\$ 1,085,188</u>

See Notes to the Financial Statements

ASIAN AMERICANS - PACIFIC ISLANDERS IN PHILANTHROPY

Notes to the Financial Statements For the Year Ended June 30, 2018 (With Comparative Totals for the Year Ended June 30, 2017)

NOTE 1: NATURE OF ACTIVITIES

Asian Americans - Pacific Islanders in Philanthropy (AAPIP or the Organization) is a nonprofit public benefit corporation founded in 1990. AAPIP is a national membership and philanthropic advocacy organization dedicated to expanding and mobilizing resources for Asian American/Pacific Islander (AAPI) communities to build a more just and equitable society. AAPIP's members include staff and trustees of foundations and other grant making entities as well as individual donors and philanthropy-serving professionals. In addition, AAPIP supports ten regional chapters in the United States (Boston, Chicago, Los Angeles, Minneapolis, New York, Philadelphia, San Francisco, Seattle, Silicon Valley and Washington DC). These chapters are centers for place-based advocacy, information sharing, leadership development, and network building around AAPI issues and philanthropy.

AAPIP's programs include a range of convening, research and advocacy, community philanthropy or "Giving Circles" and other incubation projects. These programs are designed to engage AAPI communities and philanthropy to address unmet needs; serve as resource for and about AAPI communities; support informed, grassroots giving within and to AAPI communities; and explore new ideas and approaches for social justice philanthropy.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying 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).

Basis of Presentation

The Organization presents information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The three classes are differentiated by donor restrictions.

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets – represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization, other asset enhancements and diminishments subject to the same kinds of stipulations or reclassifications from or to other classes of net assets as a consequence of donor-imposed stipulations. There were no permanently restricted net assets as of June 30, 2018.

ASIAN AMERICANS - PACIFIC ISLANDERS IN PHILANTHROPY

Notes to the Financial Statements For the Year Ended June 30, 2018 (With Comparative Totals for the Year Ended June 30, 2017)

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grants and Accounts Receivable

The Organization considers all grants and accounts receivable to be fully collectible at June 30, 2018. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of June 30, 2018 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended June 30, 2018.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements

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Notes to the Financial Statements For the Year Ended June 30, 2018 (With Comparative Totals for the Year Ended June 30, 2017)

and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on June 30, 2018.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Computer equipment and software	3-5 years
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Furniture, fixtures and equipment	3-7 years
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Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

Deferred Revenue

Deferred revenue represents membership dues received for services that have not been completely fulfilled.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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Notes to the Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of November 21, 2018 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Computer equipment and software	\$ 17,660	\$ 39,560
Furniture and fixtures	2,765	48,587
Less accumulated depreciation	<u>(17,895)</u>	<u>(84,812)</u>
Total	<u>\$ 2,530</u>	<u>\$ 3,335</u>

NOTE 4: COMMITMENTS

Operating Leases

The Organization leases office space under a non-cancelable lease that expires on May 31, 2019 and office equipment that expires on March 10, 2020. Future minimum lease payments were as follows for the years ended June 30:

2019	\$ 44,304
2020	<u>228</u>
Total	<u>\$ 44,532</u>

Rent for the years ended June 30, 2018 and 2017 totaled \$48,300 and \$86,316, respectively.

NOTE 5: CONTINGENCIES

Compliance with Donor Restrictions

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the

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For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

Sabbaticals

The Organization offers regular full-time employees up to six weeks paid sabbatical leave after five continuous years of service. Leave must be taken within 24 months of the date the employee becomes eligible or it will be forfeited. Sabbatical benefits do not vest, and leave is subject to the ability of the Organization to accommodate the leave of absence. The President and CEO retains the discretion to grant or deny requests for sabbatical leave. As of June 30, 2018, the Organization's management has estimated that any costs to the Organization to implement this policy would not be significant, and therefore has not accrued the liability.

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available as follows as of June 30:

	<u>2018</u>	<u>2017</u>
Giving Circles Programs	\$ -	\$ 84,842
Hosted Circles	-	25,840
CHANGE Philanthropy	1,234,629	-
Future use	<u>169,313</u>	<u>152,418</u>
Total	<u>\$ 1,403,942</u>	<u>\$ 263,100</u>

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows during the years ended June 30:

	<u>2018</u>	<u>2017</u>
Giving Circles Programs	\$ 84,842	\$ 167,908
Hosted Circles	48,720	22,959
CHANGE Philanthropy	175,430	-
Convening	-	42,500
Event Sponsorship	25,000	-
Expiration of time	<u>184,200</u>	<u>270,133</u>
Total	<u>\$ 518,192</u>	<u>\$ 503,500</u>

NOTE 7: LINE OF CREDIT

The Organization has a secured line of credit with a bank for a total of \$150,000 to be drawn down upon as needed, with a floating interest rate equal to the Index plus 2.00%, or the Floor Rate of 5.00% whichever is greater. As of June 30, 2018 and 2017, there was no balance outstanding.

NOTE 8: CONDITIONAL PROMISES TO GIVE

In addition to the activity reflected on the Organization's statement of activity, the Organization received \$200,000 in conditional promises to give as of June 30, 2018 based

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**Notes to the Financial Statements
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

on program performance and reporting requirements. The Organization recognizes such promises to give as support once the related conditions are satisfied.