



**THE ASIA SOCIETY**

Financial Statements

June 30, 2023 and 2022

(With Independent Auditors' Report Thereon)



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

## Independent Auditors' Report

The Board of Trustees  
The Asia Society:

### *Opinion*

We have audited the financial statements of The Asia Society (the Society), which comprise the balance sheets as of June 30, 2023 and 2022, 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 Society as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *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 Society 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 U.S. generally accepted accounting principles, 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 Society's ability to continue as a going concern for 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 Society'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 Society'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.

*KPMG LLP*

New York, New York  
October 27, 2023

**THE ASIA SOCIETY**

Balance Sheets

June 30, 2023 and 2022

<b>Assets</b>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 8,859,814	12,390,204
Investment redemption receivable	30,821	—
Contributions and grants receivable, net (note 2)	10,540,067	9,890,130
Prepaid expenses and other assets	1,015,028	954,744
Investments (note 3)	84,812,428	82,351,128
Land, building, and equipment, net (note 4)	16,718,008	17,666,445
Interest rate swap (note 5)	590,997	19,633
Right-of-use asset under operating lease (note 8)	351,952	—
Collection (note 1(e))		
Total assets	\$ 122,919,115	123,272,284
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable, accrued expenses, and other liabilities (note 9)	\$ 2,321,505	3,328,602
Loans payable, net of deferred issuance costs (note 5)	13,836,828	14,243,964
Lease liability under operating lease (note 8)	355,409	—
Total liabilities	16,513,742	17,572,566
Commitments and contingencies (notes 5 and 8)		
Net assets:		
Net assets (deficit) without donor restrictions:		
Available for operations, including amounts invested in fixed assets	(1,488,307)	(205,376)
Designated for investment (note 10)	2,022,409	1,996,945
Total net assets (deficit) without donor restrictions	534,102	1,791,569
Net assets with donor restrictions (note 6):		
Purpose and time restricted	37,128,828	35,165,706
Endowment fund corpus	68,742,443	68,742,443
Total net assets with donor restrictions	105,871,271	103,908,149
Total net assets	106,405,373	105,699,718
Total liabilities and net assets	\$ 122,919,115	123,272,284

See accompanying notes to financial statements.

THE ASIA SOCIETY

Statement of Activities

Year ended June 30, 2023

(With comparative summarized financial information for the year ended June 30, 2022)

	Available for operations	Designated for investment	Without donor restrictions Total	With donor restrictions Total	2023 Total	2022 Total
Operating activities:						
Revenue, gains, and other support:						
Contributions and grants	\$ 8,515,265	—	8,515,265	11,697,158	20,212,423	18,806,580
Membership	1,254,108	—	1,254,108	—	1,254,108	1,391,480
Special events, net of direct donor benefits of \$427,604 in 2023	1,525,657	—	1,525,657	—	1,525,657	1,494,844
Program service fees and store sales	1,080,707	—	1,080,707	—	1,080,707	699,597
Investment return, net (note 3)	4,559,547	25,464	4,585,011	1,895,716	6,480,727	(12,504,362)
Miscellaneous (note 9)	2,172,876	—	2,172,876	—	2,172,876	450,976
	19,108,160	25,464	19,133,624	13,592,874	32,726,498	10,339,115
Net assets released from restrictions and transfers	11,513,910	—	11,513,910	(11,513,910)	—	—
Total revenue, gains, and other support	30,622,070	25,464	30,647,534	2,078,964	32,726,498	10,339,115
Expenses:						
Program services:						
Arts and culture	5,152,021	—	5,152,021	—	5,152,021	4,073,580
Policy and business	10,556,108	—	10,556,108	—	10,556,108	9,414,138
Education	1,346,472	—	1,346,472	—	1,346,472	2,262,946
Online outreach	2,053,320	—	2,053,320	—	2,053,320	1,280,121
U.S. centers and Asian activities	1,528,558	—	1,528,558	—	1,528,558	2,171,341
Auxiliary services	988,311	—	988,311	—	988,311	802,194
Total program services	21,624,790	—	21,624,790	—	21,624,790	20,004,320
Supporting services:						
Management and general	6,268,599	—	6,268,599	—	6,268,599	6,750,191
Fundraising	2,714,784	—	2,714,784	—	2,714,784	2,176,616
Total supporting services	8,983,383	—	8,983,383	—	8,983,383	8,926,807
Total expenses	30,608,173	—	30,608,173	—	30,608,173	28,931,127
Changes in net assets from operating activities	13,897	25,464	39,361	2,078,964	2,118,325	(18,592,012)
Nonoperating activities:						
Change in fair value of interest rate swap (note 5)	571,364	—	571,364	—	571,364	2,687,566
Transfer of net assets	(762,396)	—	(762,396)	(115,842)	(878,238)	—
Depreciation and amortization expense	(1,105,796)	—	(1,105,796)	—	(1,105,796)	(1,342,176)
Other fixed-asset related expenses	—	—	—	—	—	(20,500)
Changes in net assets from nonoperating activities	(1,296,828)	—	(1,296,828)	(115,842)	(1,412,670)	1,324,890
Changes in net assets	(1,282,931)	25,464	(1,257,467)	1,963,122	705,655	(17,267,122)
Net (deficit) assets at beginning of year	(205,376)	1,996,945	1,791,569	103,908,149	105,699,718	122,966,840
Net (deficit) assets at end of year	\$ (1,488,307)	2,022,409	534,102	105,871,271	106,405,373	105,699,718

See accompanying notes to financial statements.

**THE ASIA SOCIETY**  
Statement of Activities  
Year ended June 30, 2022

	<u>Available for operations</u>	<u>Designated for investment</u>	<u>Without donor restrictions Total</u>	<u>With donor restrictions Total</u>	<u>2022 Total</u>
Operating activities:					
Revenue, gains, and other support:					
Contributions and grants	\$ 12,817,819	—	12,817,819	5,988,761	18,806,580
Forgiveness of debt (note 5)	—	—	—	—	—
Membership	1,391,480	—	1,391,480	—	1,391,480
Special events, net of direct donor benefits of \$469,945 in 2022	1,494,844	—	1,494,844	—	1,494,844
Program service fees and store sales	699,597	—	699,597	—	699,597
Investment return, net (note 3)	4,811,369	(408,029)	4,403,340	(16,907,702)	(12,504,362)
Miscellaneous (note 9)	450,976	—	450,976	—	450,976
	<u>21,666,085</u>	<u>(408,029)</u>	<u>21,258,056</u>	<u>(10,918,941)</u>	<u>10,339,115</u>
Net assets released from restrictions and transfers	8,277,634	—	8,277,634	(8,277,634)	—
Total revenue, gains, and other support	<u>29,943,719</u>	<u>(408,029)</u>	<u>29,535,690</u>	<u>(19,196,575)</u>	<u>10,339,115</u>
Expenses:					
Program services:					
Arts and culture	4,073,580	—	4,073,580	—	4,073,580
Policy and business	9,414,138	—	9,414,138	—	9,414,138
Education	2,262,946	—	2,262,946	—	2,262,946
Online outreach	1,280,121	—	1,280,121	—	1,280,121
U.S. centers and Asian activities	2,171,341	—	2,171,341	—	2,171,341
Auxiliary services	802,194	—	802,194	—	802,194
Total program services	<u>20,004,320</u>	<u>—</u>	<u>20,004,320</u>	<u>—</u>	<u>20,004,320</u>
Supporting services:					
Management and general	6,750,191	—	6,750,191	—	6,750,191
Fund-raising	2,176,616	—	2,176,616	—	2,176,616
Total supporting services	<u>8,926,807</u>	<u>—</u>	<u>8,926,807</u>	<u>—</u>	<u>8,926,807</u>
Total expenses	<u>28,931,127</u>	<u>—</u>	<u>28,931,127</u>	<u>—</u>	<u>28,931,127</u>
Changes in net assets from operating activities	<u>1,012,592</u>	<u>(408,029)</u>	<u>604,563</u>	<u>(19,196,575)</u>	<u>(18,592,012)</u>
Nonoperating activities:					
Change in fair value of interest rate swap (note 5)	2,687,566	—	2,687,566	—	2,687,566
Transfer of net assets	152,000	(152,000)	—	—	—
Depreciation and amortization expense	(1,342,176)	—	(1,342,176)	—	(1,342,176)
Other fixed-asset related expenses	(20,500)	—	(20,500)	—	(20,500)
Changes in net assets from nonoperating activities	<u>1,476,890</u>	<u>(152,000)</u>	<u>1,324,890</u>	<u>—</u>	<u>1,324,890</u>
Changes in net assets	2,489,482	(560,029)	1,929,453	(19,196,575)	(17,267,122)
Net (deficit) assets at beginning of year	<u>(2,694,858)</u>	<u>2,556,974</u>	<u>(137,884)</u>	<u>123,104,724</u>	<u>122,966,840</u>
Net (deficit) assets at end of year	<u>\$ (205,376)</u>	<u>1,996,945</u>	<u>1,791,569</u>	<u>103,908,149</u>	<u>105,699,718</u>

See accompanying notes to financial statements.

THE ASIA SOCIETY

Statement of Functional Expenses

Year ended June 30, 2023

(With comparative summarized financial information for the year ended June 30, 2022)

	Arts and culture	Policy and business	Education	Online outreach	U.S. Centers and Asian activities	Auxiliary services	Total program services	Management and general	Fund-raising	Total supporting services	2023 Total expenses	2022 Total expenses
Operating expenses:												
Salaries and wages	\$ 1,768,111	5,595,088	641,005	1,275,691	195,909	361,689	9,837,493	2,988,300	1,641,341	4,629,641	14,467,134	12,887,619
Benefits and payroll taxes	417,420	1,163,967	137,467	347,258	34,554	82,314	2,182,980	530,647	399,787	930,434	3,113,414	3,027,098
Total staff costs	2,185,531	6,759,055	778,472	1,622,949	230,463	444,003	12,020,473	3,518,947	2,041,128	5,560,075	17,580,548	15,914,717
Professional fees	1,223,964	1,601,584	208,874	254,390	93,315	63,309	3,445,436	1,193,192	189,767	1,382,959	4,828,395	5,184,219
Supplies and materials	111,545	197,428	91,011	7,702	9,053	3,541	420,280	114,403	172,659	287,062	707,342	579,128
Travel	170,681	831,467	39,469	11,844	6,270	2,319	1,062,050	93,284	36,100	129,384	1,191,434	424,213
Communications	266,003	44,385	17,846	43,086	3,288	478	375,086	53,245	21,514	74,759	449,845	484,769
Occupancy	459,246	284,464	55,179	24,794	17,697	171,016	1,012,396	140,955	49,155	190,110	1,202,506	1,326,726
Equipment rental and maintenance	243,018	155,451	101,588	25,314	28,575	92,143	646,089	580,610	139,659	720,269	1,366,358	1,388,732
Store inventory	—	—	—	—	—	95,347	95,347	—	—	—	95,347	53,327
Grants paid	67,500	526,696	—	—	1,093,845	—	1,688,041	—	—	—	1,688,041	1,299,056
Financing costs	191,169	83,505	32,562	15,230	—	105,563	428,029	72,067	28,885	100,952	528,981	538,038
Conferences, conventions, and meetings	93	26,932	13,373	—	32,653	—	73,051	6,879	4,354	11,233	84,284	137,329
Other	233,271	45,141	8,098	48,011	13,399	10,592	358,512	495,017	31,563	526,580	885,092	1,600,873
Total operating expenses	5,152,021	10,556,108	1,346,472	2,053,320	1,528,558	988,311	21,624,790	6,268,599	2,714,784	8,983,383	30,608,173	28,931,127
Fixed-asset expenses:												
Depreciation and amortization	400,824	175,085	68,272	31,934	3,473	221,334	900,922	143,847	61,027	204,874	1,105,796	1,342,176
Other	—	—	—	—	—	—	—	—	—	—	—	20,500
Total expenses, excluding direct donor benefit costs	\$ 5,552,845	10,731,193	1,414,744	2,085,254	1,532,031	1,209,645	22,525,712	6,412,446	2,775,811	9,188,257	31,713,969	30,293,803
Direct donor benefit costs											427,604	469,945
Total expenses, including direct donor benefit costs											\$ 32,141,573	30,763,748

See accompanying notes to financial statements.

**THE ASIA SOCIETY**  
Statement of Functional Expenses  
Year ended June 30, 2022

	Arts and culture	Policy and business	Education	Online outreach	U.S. Centers and Asian activities	Auxiliary services	Total program services	Management and general	Fund-raising	Total supporting services	2022 Total expenses
Operating expenses:											
Salaries and wages	\$ 1,699,943	4,089,678	1,191,846	721,557	655,591	280,514	8,639,129	2,925,974	1,322,516	4,248,490	12,887,619
Benefits and payroll taxes	384,396	936,487	268,867	189,693	162,271	67,539	2,009,253	683,132	334,713	1,017,845	3,027,098
Total staff costs	2,084,339	5,026,165	1,460,713	911,250	817,862	348,053	10,648,382	3,609,106	1,657,229	5,266,335	15,914,717
Professional fees	629,691	2,342,448	435,330	151,944	189,806	40,631	3,789,850	1,247,301	147,068	1,394,369	5,184,219
Supplies and materials	87,405	215,061	10,531	11,809	66,107	23,615	414,528	82,839	81,761	164,600	579,128
Travel	28,131	239,857	23,986	785	41,728	1,342	335,829	64,114	24,270	88,384	424,213
Communications	261,319	38,530	27,776	61,546	15,455	624	405,250	60,323	19,196	79,519	484,769
Occupancy	382,855	269,104	43,764	19,306	242,455	132,069	1,089,553	166,134	71,039	237,173	1,326,726
Equipment rental and maintenance	220,620	310,771	82,530	29,864	55,295	86,014	785,094	484,102	119,536	603,638	1,388,732
Store inventory	—	—	—	—	—	53,327	53,327	—	—	—	53,327
Grants paid	—	590,943	29,044	—	679,069	—	1,299,056	—	—	—	1,299,056
Financing costs	195,846	85,548	33,358	15,603	—	108,146	438,501	69,945	29,592	99,537	538,038
Conferences, conventions, and meetings	75	92,443	3,378	—	18,165	—	114,061	20,846	2,422	23,268	137,329
Other	183,299	203,268	112,536	78,014	45,399	8,373	630,889	945,481	24,503	969,984	1,600,873
Total operating expenses	4,073,580	9,414,138	2,262,946	1,280,121	2,171,341	802,194	20,004,320	6,750,191	2,176,616	8,926,807	28,931,127
Fixed-asset expenses:											
Depreciation and amortization	484,804	211,769	82,576	38,624	7,724	267,707	1,093,204	174,689	74,283	248,972	1,342,176
Other	7,460	3,260	1,271	595	—	4,121	16,707	2,665	1,128	3,793	20,500
Total expenses, excluding direct donor benefit costs	\$ 4,565,844	9,629,167	2,346,793	1,319,340	2,179,065	1,074,022	21,114,231	6,927,545	2,252,027	9,179,572	30,293,803
Direct donor benefit costs											469,945
Total expenses, including direct donor benefit costs											\$ 30,763,748

See accompanying notes to financial statements.



**THE ASIA SOCIETY**

Statements of Cash Flows

Years ended June 30, 2023 and 2022

	<b>2023</b>	<b>2022</b>
Cash flows from operating activities:		
Change in net assets	\$ 705,655	(17,267,122)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized (gains) losses on investments	(5,733,583)	12,899,621
Change in fair value of interest rate swap	(571,364)	(2,667,933)
Depreciation and amortization	1,105,796	1,342,176
Bad debt expense	256,056	1,176,788
Changes in operating assets and liabilities:		
Change in contributions and grants receivable, net of amounts classified as financing	(905,993)	586,491
Change in prepaid expenses and other assets	(60,284)	71,798
Change in right-of-use asset under operating lease	(351,952)	—
Change in lease liability under operating lease	355,409	—
Change in accounts payable and accrued expenses	(1,007,097)	864,770
Net cash used in operating activities	(6,207,357)	(2,993,411)
Cash flows from investing activities:		
Proceeds from sales of investments	7,135,896	16,275,730
Investment purchases	(3,863,613)	(11,350,737)
Change in investment redemption receivable	(30,821)	—
Capital expenditures	(129,494)	(236,230)
Net cash provided by investing activities	3,111,968	4,688,763
Cash flows from financing activities:		
Loan principal payments	(435,000)	(420,000)
Net cash used in financing activities	(435,000)	(420,000)
Net increase in cash and cash equivalents	(3,530,389)	1,275,352
Cash and cash equivalents at beginning of year	12,390,204	11,114,852
Cash and cash equivalents at end of year	\$ 8,859,815	12,390,204
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 393,533	402,562

See accompanying notes to financial statements.

## THE ASIA SOCIETY

### Notes to Financial Statements

June 30, 2023 and 2022

#### (1) Organization and Summary of Significant Accounting Policies

##### *Organization*

The Asia Society (the Society) is a New York not-for-profit company chartered by the State Education Department of New York. It was founded in 1956 by John D. Rockefeller 3rd. The Society is an international, nonprofit, and nonpartisan organization dedicated to strengthening relationships and deepening understanding among the peoples of Asia and the United States. The Society's work spans the fields of arts and culture, policy and business, and education and leadership and includes major art exhibitions, performances, lectures, international conferences and dialogues, task force reports, education initiatives, and leadership development. Headquartered in New York City, the organization has centers in Los Angeles and an office in Washington, D.C.

Additionally, the Society has affiliate offices in Delhi; Houston, Texas; Hong Kong; Manila; Melbourne; Mumbai; Paris; San Francisco, CA; Seoul; Sydney; Tokyo; and Zurich. Each affiliate operates in concert with the Society based on a Global Operating Agreement and pays an annual participation fee to the Society in consideration of being part of the Society organization and the global services provided by the Society. In addition, the Society has entered into an agreement with each affiliate under which the Society has granted a royalty-free license to use the Society's trademark and related marks and trade names. The activities of the affiliate offices are not reflected in the accompanying financial statements.

On July 1, 2022, Asia Society's San Francisco Center became a 501(c)(3) organization and is, therefore, no longer considered a branch of the Society. The closing fiscal year 2023 San Francisco net assets of \$878,238 were subsequently transferred to the new 501(c)(3) in fiscal year 2023 and all financial activities of the center will no longer be consolidated with the Society.

##### *Summary of Significant Accounting Policies*

###### **(a) Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis.

###### **(b) Basis of Presentation**

The Society's net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Society and changes therein are classified and reported as follows:

*Without donor restrictions* – Net assets that are free of donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenses are reported as decreases in net assets without donor restrictions.

*With donor restrictions* – Net assets that are subject to donor-imposed restrictions. These net assets include donor restricted contributions that are subject to time or purpose restrictions and donor restricted endowments. Generally, the donors' imposed restrictions on the endowment fund permit the Society to use all or part of the income earned on related investments for certain general or specific purposes.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor imposed restrictions. Expenses are reported as decreases in net assets without donor

## THE ASIA SOCIETY

### Notes to Financial Statements

June 30, 2023 and 2022

restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Society records the contribution as without donor restrictions. Contributions of cash or other assets that must be used to acquire long-lived assets are recorded as net assets with donor restrictions until the assets are placed in service.

#### **(c) Contributions**

Contributions, which include unconditional promises to give (pledges), are recognized as revenue in the period received. Contributions to be received after one year are discounted at an adjusted risk-free rate (after allowance is made for uncollectible contributions). In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the contributions.

#### **(d) Revenue Recognition**

Conditional promises are recorded as revenue once the conditions are met. Contributions, grants, and bequests are recognized with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Contributions are conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets. Conditional contributions are recognized as revenue when the barriers on which they depend are met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Society received goods and services valued at \$89,993 and \$85,246 and in 2023 and 2022 for use at auctions held by the Society. These items included goods, services, and vacation packages. The auctions of these items yielded revenue of \$56,100 and \$79,406 and in 2023 and 2022, which is included in special events revenue in the statements of activities.

#### **(e) Collection Items**

The Asia Society Museum Collection is noted for its masterpiece-quality objects and the scholarly import awarded to these pieces of traditional and contemporary art. The collection includes The Rockefeller Collection, which is pan-Asian and includes approximately 300 objects, ranging in date from the second millennium B.C.E. to the 18th century, from such diverse nations as India, Pakistan, Bangladesh, Nepal, Myanmar, Thailand, Cambodia, Vietnam, Indonesia, China, Korea, and Japan. It also includes a large number of bronze sculptures and ceramics, as well as paintings, wooden sculptures, and other decorative arts. Most of the Rockefeller Collection was donated to the Society in 1979. Additions since that time consist of donations from the estate of Mrs. Blanche Rockefeller, a few notable works from other donors, and more recently, a collection of contemporary art focused on video art and photography.

## THE ASIA SOCIETY

### Notes to Financial Statements

June 30, 2023 and 2022

In addition to frequent displays in the exhibition galleries at the Society, selected works from the Collection are also shown as part of special exhibitions either at the Society or in museums throughout the world. When not on display at the Society or on loan to museums for temporary exhibitions, the objects are maintained in climate-controlled storage. The Society maintains policies and procedures addressing the Rockefeller Collection's upkeep as well as other aspects of its management, including accession/deaccession policies. This policy requires the proceeds from items that are sold to be used for the acquisition of new collection items, the direct care of existing collections, or both. The direct care of collections is defined as the conservation of collections objects or the improvement of collections storage facilities. The Society has adopted the policy of not capitalizing its collection. During 2023 and 2022, no art was acquired with donor-restricted funds.

**(f) Cash Equivalents**

Cash equivalents represent debt instruments with original maturities of three months or less, except for those short-term investments managed by the Society's investment managers as part of their long-term investment strategies. Included in the cash balances are deposits that exceed the Federal Deposit Insurance Coverage (FDIC) of \$250,000.

**(g) Depreciation**

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Building is depreciated over a 40-year estimated useful life. Building improvements and other equipment are depreciated over a 10-year estimated useful life, and audio/video equipment is depreciated over a 5-year estimated useful life, and computer equipment is depreciated over a 3-year estimated useful life.

**(h) Operating Activities**

Operating activities in the accompanying statements of activities include all revenue earned and all expenses incurred by the Society except for changes in fair value of the interest rate swap, transfer of net assets, depreciation and amortization expense, and other fixed-asset related expenses.

**(i) Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Items subject to such estimates and assumptions include the useful lives of fixed assets; the discount rates for right of use assets and lease liabilities; the valuation of investments, interest rate swaps, and contributions receivable; and reserves for other contingencies.

**(j) Tax Status**

The Society is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code, except for unrelated business income activities. In addition, the Society is tax-exempt from state and local income tax for related activities, property taxes, and sales tax. The Society has evaluated its tax positions and has determined that it is more likely than not that there are no significant uncertain tax positions and that it will continue to be exempt from taxes.

## THE ASIA SOCIETY

### Notes to Financial Statements

June 30, 2023 and 2022

#### **(k) Investments**

Investments are stated at fair value based upon quoted market prices or published net asset values (NAV) except for the fair values of alternative investments, primarily, hedge and absolute return funds, which are based on net asset values provided by the fund managers based upon the underlying net assets of the funds. These values are reviewed and evaluated by management.

#### **(l) Fair Value Measurements**

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. The Financial Accounting Standards Board (FASB) guidance on fair value measurements establishes a hierarchy that gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs that reflect unadjusted quoted or published prices in active markets for identical assets or liabilities that the Society has the ability to access at the measurement date

Level 2 – Inputs other than quoted or published prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active

Level 3 – Inputs that are unobservable for the asset or liability

The fair value of investments is discussed in note 3. The fair value of the interest rate swap liability is considered to be Level 2 in the fair value hierarchy.

#### **(m) Membership Income**

The Society offers individual and corporate memberships at various levels. These are for a single year period and are incorporated as part of operating support. Each membership has both a gift and exchange transaction component. The exchange component for membership is immaterial and the Society recognizes memberships as gift revenue when received.

#### **(n) Functional Allocation of Expenses**

Program expenses include costs of Arts and culture, Policy and business, Education, Online Outreach, U.S. and Asian Centers and Auxiliary activities. Supporting services expenses include costs associated with the following departments: building, executive, finance, human resources, and information technology. Depreciation, building maintenance, and bond interest expense are allocated among the functional expense categories based on space usage.

#### **(o) New Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). Topic 842 requires recognition of rights and obligations arising from lease contracts as assets and liabilities on the balance sheet. Topic 842 also requires expanded qualitative and quantitative disclosures. The Society adopted this ASU on a modified retrospective

## THE ASIA SOCIETY

### Notes to Financial Statements

June 30, 2023 and 2022

basis transition approach using the effective date method, which was July 1, 2022. The Society's ROU assets and lease liabilities for operating leases at adoption were \$538,083 and \$538,083, respectively.

#### (2) Contributions and Grants Receivable

Unconditional promises to give are reported in the financial statements as contributions and grants receivable and as revenue of the appropriate net asset class. These receivables are recorded net of a discount to reflect the present value of future cash flows and are expected to be collected as follows at June 30, 2023 and 2022:

	2023	2022
Amounts expected to be collected in:		
Less than one year	\$ 8,597,734	8,145,130
One to five years	2,333,333	2,100,000
Total	10,931,067	10,245,130
Less:		
Allowance for doubtful receivable	(255,000)	(250,000)
Discount to present value (at discount rates ranging from 1.68% to 6.90%)	(136,000)	(105,000)
	\$ 10,540,067	9,890,130

Included in contributions receivable at June 30, 2023 and 2022 are pledges of approximately \$1.7 million from a single donor and \$1.5 million from a single donor, respectively. During the year ending June 30, 2023, there were contributions received of \$4.3 million from a single donor. During the year ending June 30, 2022, there were contributions received of \$2.0 million from a single donor.

#### (3) Investments and Fair Value

The overall goal of the Society's investment policy is capital preservation through long-term asset appreciation combined with a reasonable level of liquidity to meet spending needs.

In addition to traditional stock, fixed-income, and mutual fund securities, the Society holds investments in alternative investments, consisting primarily of hedge and absolute return funds, which invest in long and short publicly traded equities, debt-and credit-related instruments, private equity situations, and real estate, for which no ready market exists. The Society's investments in alternative investments are recorded at net asset value provided by the fund managers and general partners. The values assigned to the holdings do not necessarily represent amounts that might ultimately be realized upon the sale or other disposition since such amounts depend on future circumstances and cannot reasonably be determined until the actual liquidation occurs. The Society reviews the values provided by the fund managers and general partners and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments.

## THE ASIA SOCIETY

### Notes to Financial Statements

June 30, 2023 and 2022

The Society invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the balance sheets.

Financial assets and liabilities at fair value consist of the following at June 30, 2023:

	<u>Level 1</u>	<u>Investments at net asset value</u>	<u>Total</u>
Cash equivalents	\$ 316,255	—	316,255
Fixed income mutual funds	6,468,010	—	6,468,010
Domestic equities mutual funds	18,996,234	—	18,996,234
Global equities:			
Developed market equity trust (a)	6,428,221	2,362,014	8,790,235
Emerging markets equities (including Asia) (b)	<u>4,011,324</u>	<u>5,355,473</u>	<u>9,366,797</u>
Total global equities	<u>10,439,545</u>	<u>7,717,487</u>	<u>18,157,032</u>
Hedge funds:			
Long/short funds (c)	—	8,523,741	8,523,741
Absolute return funds (d)	—	17,896,435	17,896,435
Fund of funds (e)	<u>—</u>	<u>3,931,865</u>	<u>3,931,865</u>
Total hedge funds	<u>—</u>	<u>30,352,041</u>	<u>30,352,041</u>
Private equity (f)	<u>—</u>	<u>10,522,856</u>	<u>10,522,856</u>
Total investments	<u>\$ 36,220,044</u>	<u>48,592,384</u>	<u>84,812,428</u>

**THE ASIA SOCIETY**  
Notes to Financial Statements  
June 30, 2023 and 2022

Financial assets and liabilities at fair value consist of the following at June 30, 2022:

	<u>Level 1</u>	<u>Investments at net asset value</u>	<u>Total</u>
Cash equivalents	\$ 305,076	—	305,076
Fixed income mutual funds	6,302,292	—	6,302,292
Domestic equities mutual funds	16,028,888	—	16,028,888
Global equities:			
Developed market equity trust (a)	5,514,863	2,181,400	7,696,263
Emerging markets equities (including Asia) (b)	<u>4,080,356</u>	<u>6,846,468</u>	<u>10,926,824</u>
Total global equities	<u>9,595,219</u>	<u>9,027,868</u>	<u>18,623,087</u>
Hedge funds:			
Long/short funds (c)	—	8,938,417	8,938,417
Absolute return funds (d)	—	17,725,653	17,725,653
Fund of funds (e)	<u>—</u>	<u>5,216,827</u>	<u>5,216,827</u>
Total hedge funds	<u>—</u>	<u>31,880,897</u>	<u>31,880,897</u>
Private equity (f)	<u>—</u>	<u>9,210,888</u>	<u>9,210,888</u>
Total investments	<u>\$ 32,231,475</u>	<u>50,119,653</u>	<u>82,351,128</u>

(a) Invested in international equity securities

(b) Invested in international equity securities and debt securities

(c) Invested in U.S. publicly traded securities and offshore funds that invest in international publicly traded and nontraded equity and equity-related securities

(d) Funds primarily invested in long and short positions in securities and financial instruments

(e) Invested in domestic and international hedge funds

(f) Invested in structured credit; at June 30, 2023, there were \$4,043,554 of unfunded commitments in relation to these funds.



**THE ASIA SOCIETY**

Notes to Financial Statements

June 30, 2023 and 2022

As of June 30, 2023, the Society had total investments with a fair value of \$84,812,428; of that value, \$67,885,363 can be redeemed in fiscal year 2024. The remainder represents investments that have an initial lock-up period that extends beyond June 30, 2023 or private placement investments, which will be accessible to the Society as the investments are liquidated by the fund manager. The limitations and restrictions on the Society's ability to redeem or sell any of its investments vary by investment and ranges from daily access to required notice periods (generally, 30 to 90 days after initial lock-up periods) and specific redemption frequency. Based on the terms and conditions in effect at June 30, 2023, the Society's investments can be redeemed or sold as follows:

	<b>Investment fair values</b>
Investment redemption or sale period:	
Daily	\$ 29,791,823
Monthly	17,033,773
Quarterly	10,500,565
Annually	10,559,202
Subject to rolling lock-ups	6,047,111
Illiquid	10,879,954
Total	\$ 84,812,428

The following table summarizes investment return components for the years ended June 30, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Interest and dividends	\$ 1,187,480	842,041
Net realized gains	3,054,041	5,957,175
Net unrealized gains (losses)	2,679,542	(18,856,796)
Total net gains (losses)	5,733,583	(12,899,621)
Net investment gains (losses)	6,921,063	(12,057,580)
Less investment expenses	(440,336)	(446,782)
Investment return, net	\$ 6,480,727	(12,504,362)

Investment expenses represent management fees incurred from external investment managers.

**THE ASIA SOCIETY**

Notes to Financial Statements

June 30, 2023 and 2022

**(4) Land, Building, and Equipment**

At June 30, 2023 and 2022, the cost and accumulated depreciation of land, building and building improvements, and equipment and furniture were as follows:

	<b>2023</b>	<b>2022</b>
Land	\$ 2,032,010	2,032,010
Building and building improvements	39,266,612	39,266,612
Equipment and furniture	15,731,585	15,664,607
	57,030,207	56,963,229
Less accumulated depreciation	40,312,199	39,296,784
	\$ 16,718,008	17,666,445

**(5) Loans Payable**

On July 1, 2015, the Society entered into a loan agreement with Build NYC Resource Corporation (Build NYC) for the purpose of refinancing existing debt and to pay certain costs of issuance associated with the refinancing.

In connection with this loan agreement, on July 1, 2015, Build NYC issued \$16,795,000 of Revenue Bonds, Series 2015 (the Bonds), loaning the proceeds of the issuance to the Society. While the Bonds are not the debt of the Society, the loan agreement obligates the Society to make payments equal to the debt service (principal and interest) of the Bonds.

The Bonds bear interest at a weekly rate, not to exceed 10.00% per annum. Interest is payable monthly. For the year ended June 30, 2023, the interest rate varied from 0.64% to 4.32% and at June 30, 2023 and 2022 was 3.95% and 0.03%, respectively. Interest expense for the years ended June 30, 2023 and 2022 was approximately \$372,000 and \$34,000, respectively.

The Society's payment obligation under the loan agreement is secured by a Letter of Credit and Reimbursement Agreement (the L/C Agreement) between the Society and a financial institution. The scheduled termination date of the L/C Agreement is July 1, 2025, which may be extended indefinitely by the bank. In accordance with the L/C Agreement, the Society is required to meet certain reporting, insurance, and financial covenants. Management believes the Society is in compliance with all other covenants of the L/C Agreement. Under the agreement, the Society is required to make annual principal payments beginning on April 1, 2016 and increasing amounts through April 1, 2045. The loan can be prepaid without penalty at any time.

The issuance costs associated with the Bonds of \$836,084 are being amortized over the term of the Bonds. The unamortized balance of \$613,172 and \$641,036 and at June 30, 2023 and 2022, respectively, is included as a reduction to loans payable.

## THE ASIA SOCIETY

### Notes to Financial Statements

June 30, 2023 and 2022

In connection with retiring the debt on July 1, 2015, the Society terminated an interest rate swap at a settlement price of \$952,000. To finance this termination and related costs, the Society entered into a term loan (the Loan) with a financial institution for \$1,144,000. The interest rate on the Loan is variable, linked to the one-month LIBOR.

On November 6, 2016, the Society entered into a term loan with a financial institution for \$1,000,000 to finance office building renovations. The term loan was secured by future payments against donor pledges. The interest rate was 2.99%. The issuance cost associated with the term loan of \$27,500 was amortized over the term of the term loan. The loan was fully repaid in fiscal 2022. There was a zero balance at June 30, 2022. The unamortized balance of \$2,766 at June 30, 2021 was included as a reduction to loans payable.

On July 1, 2015, the Society entered into an interest rate swap with an initial notional amount of \$11,252,650. The swap is intended to convert the variable interest rate on the Bonds to a fixed rate of 2.63%. At June 30, 2023 and 2022, the estimated fair value of this agreement was \$590,997, included in prepaid expenses and other assets, and \$19,633, respectively.

Also on July 1, 2015, the Society entered into a separate interest rate swap with an initial notional amount of \$1,144,000. This swap is intended to convert the variable interest rate on the Loan to a fixed rate of 2.52%. The loan was paid in full in July 2020.

In April 2020, the Society received a Small Business Administration loan through the CARES Act for the Paycheck Protection Program for \$2,579,025. The term of the loan was two years with a 1% interest rate. The loan was forgiven for the full amount in 2021.

Minimum principal payments on the Bonds and Loans are as follows:

	<b>Bonds amount</b>	<b>Total</b>
2024	\$ 445,000	445,000
2025	465,000	465,000
2026	480,000	480,000
2027	495,000	495,000
2028	515,000	515,000
2029 and thereafter	12,050,000	12,050,000
	\$ 14,450,000	14,450,000
Deferred issuance costs		(613,172)
		\$ 13,836,828

The Society has a one-year line-of-credit agreement with a bank with a maximum line of \$1,500,000, which was renewed on August 22, 2022 for more than one-year period through April 30, 2024. During the years ended June 30, 2023 and 2022, there were no borrowings under the line of credit and no outstanding balance.

**THE ASIA SOCIETY**

Notes to Financial Statements

June 30, 2023 and 2022

**(6) Net Assets with Donor Restriction**

Net assets with donor restrictions (excluding those that are endowment) at June 30, 2023 and 2022 were available for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Arts and culture	\$ 5,313,784	4,855,652
Policy and business	19,383,765	17,775,704
Education	1,181,171	925,839
U.S. centers and Asian activities	60,985	360,002
Art acquisitions	1,301,022	1,179,381
Multidisciplinary	2,838,164	1,751,941
Future strategic initiatives	5,655,799	6,435,049
Future periods	1,394,138	1,882,138
	<u>\$ 37,128,828</u>	<u>35,165,706</u>

Included in these amounts, the Society had approximately \$8.6 million and \$7.1 million accumulated gains on endowment funds at June 30, 2023 and June 30, 2022, respectively, which will be available for operations under the endowment spending policy.

The investment income earned on the balances of endowment fund net assets is restricted to the following uses at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Arts and culture	\$ 19,559,925	19,559,925
Policy and business	30,651,895	30,651,895
Education	1,642,000	1,642,000
Multidisciplinary	7,887,818	7,887,818
Permanent collection	7,100,000	7,100,000
Art acquisitions	650,000	650,000
Unrestricted	1,250,805	1,250,805
	<u>\$ 68,742,443</u>	<u>68,742,443</u>

**(7) Pension Plan**

The Society has a defined-contribution retirement plan covering substantially all employees. The plan is fully funded by the purchase of annuity contracts. Pension expense for the years ended June 30, 2023 and 2022 was approximately \$496,000 and \$530,000 and, respectively.

## THE ASIA SOCIETY

### Notes to Financial Statements

June 30, 2023 and 2022

#### (8) Operating Leases

The Society rents office space to house programming and Center employees outside of New York. Additionally, it leases copiers for its New York office. The total lease expense associated with these commitments was \$195,266 and \$479,953 and in fiscal years 2023 and 2022, respectively. Future minimum lease payments under noncancelable operating leases with remaining lease terms in excess of one year are as follows:

	<u>Amount</u>
Year ending June 30:	
2024	\$ 200,906
2025	133,910
2026	<u>30,087</u>
	364,903
Less discount to present value (at discount rates ranging from 2.85% to 2.88%)	<u>(9,494)</u>
Total operating lease liabilities	<u>\$ 355,409</u>

#### (9) Related-Party Transactions

The affiliated offices pay the Society an annual participation fee in accordance with a Global Operating Agreement. The Society has recognized participation fee revenue of \$174,148 and \$139,332 and for the years ended June 30, 2023 and 2022, respectively, which is included in miscellaneous revenue in the accompanying statements of activities. In addition, the Society shares certain fees with and makes grants to the affiliated offices. At June 30, 2023 and 2022, the affiliated offices owed the Society \$87,629, which is included in prepaid expenses and other assets and \$140,689, which is included in accounts payable, accrued expenses, and other liabilities, respectively, in the accompanying balance sheets.

#### (10) Endowment Funds

The Society's endowment consists of 37 individual funds established for a variety of purposes. Net assets associated with the endowment funds, including term endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA), which imposes guidelines on the management and investment of endowment funds. The Society has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as endowment fund net assets (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, when applicable. In accordance with the accounting guidance associated with the adoption of NYPMIFA, the remaining portion of the donor-restricted endowment fund is classified as purpose restricted until those amounts are appropriated for expenditure.

## THE ASIA SOCIETY

### Notes to Financial Statements

June 30, 2023 and 2022

In accordance with NYPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Society and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Society
- Where appropriate and the circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect such alternatives may have on the Society
- The investment policies of the Society.

The investment objective of the Society's investment portfolio is to provide that future growth of the portfolio is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the endowment fund with prudent level of risk. The assets are managed on a total-return basis. The Investment Committee of the Board of Trustees has adopted a long-term asset allocation policy with mid-range targets for equities, fixed-income, and alternative investments (which consist of hedge, equity, and absolute return funds).

To provide a predictable flow of funds to support operations, the Society's Board of Trustees has authorized a general policy permitting the use of income from endowment investments to be used for operations at an approved blended spending rate of up to 5.5% and 6.2% of the preceding 36-month average fair value of the portfolio for fiscal years 2023 and 2022. In fiscal years 2023 and 2022, the following amount and rates were allocated in accordance with this policy:

	<u>2023</u>	<u>2022</u>
Net assets without donor restrictions	\$ 115,073	133,176
Net assets with donor restrictions	<u>4,377,766</u>	<u>4,729,500</u>
	<u>\$ 4,492,839</u>	<u>4,862,676</u>
Representing a blended spending rate of	5.5 %	6.2 %

Furthermore, the policy of the Society is that the appropriated spending should not exceed 7.0% or be less than 4.5% of the 12-month average value through the fiscal year preceding the fiscal year in which the distribution is planned. The approved appropriation of endowment assets for expenditure in fiscal year 2024 is \$4,492,516.

**THE ASIA SOCIETY**

Notes to Financial Statements

June 30, 2023 and 2022

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or the law requires to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in net assets with donor restrictions totaled \$979,784 and \$1,256,520 and as of June 30, 2023 and 2022, respectively. These deficiencies result from unfavorable market fluctuations subsequent to the investment of restricted contributions. There were 13 funds with deficiencies with a total endowment corpus of \$19,279,401 as of June 30, 2023. There were 14 funds with deficiencies with a total endowment corpus of \$20,279,401 as of June 30, 2022.

Endowment net assets with no pledge receivables, consist of the following as of June 30, 2023:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ —	76,440,902	76,440,902
Long-term purpose restricted funds	—	981,123	981,123
Board-designated endowment	1,840,089	—	1,840,089
Total endowment net assets	<u>\$ 1,840,089</u>	<u>77,422,025</u>	<u>79,262,114</u>

Endowment net assets with no pledge receivables, consist of the following as of June 30, 2022:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ —	74,929,010	74,929,010
Long-term purpose restricted funds	—	966,758	966,758
Board-designated endowment	1,814,629	—	1,814,629
Total endowment net assets	<u>\$ 1,814,629</u>	<u>75,895,768</u>	<u>77,710,397</u>

**THE ASIA SOCIETY**  
Notes to Financial Statements  
June 30, 2023 and 2022

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2022	\$ 1,814,629	75,895,768	77,710,397
Investment return:			
Interest and dividend income	24,432	1,026,427	1,050,859
Net appreciation of investments	125,751	5,282,995	5,408,746
Investment expenses	<u>(9,650)</u>	<u>(405,399)</u>	<u>(415,049)</u>
Total investment return, net	140,533	5,904,023	6,044,556
Appropriation of endowment assets for expenditure	<u>(115,073)</u>	<u>(4,377,766)</u>	<u>(4,492,839)</u>
Endowment net assets, June 30, 2023	<u>\$ 1,840,089</u>	<u>77,422,025</u>	<u>79,262,114</u>

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2021	\$ 2,222,656	92,079,164	94,301,820
Investment return:			
Interest and dividend income	18,577	774,161	792,738
Net depreciation of investments	(283,567)	(11,817,123)	(12,100,690)
Investment expenses	<u>(9,861)</u>	<u>(410,934)</u>	<u>(420,795)</u>
Total investment return, net	(274,851)	(11,453,896)	(11,728,747)
Appropriation of endowment assets for expenditure	<u>(133,176)</u>	<u>(4,729,500)</u>	<u>(4,862,676)</u>
Endowment net assets, June 30, 2022	<u>\$ 1,814,629</u>	<u>75,895,768</u>	<u>77,710,397</u>

**(11) Liquidity and Availability**

The Society regularly monitors liquidity required to meet its operational needs and other financial commitments, while also striving to maximize the investment of its available funds. The Society maintains a financial resources policy that outlines acceptable investment vehicles for working capital, which includes reserves to be spent in the short-term on current activities, donor restricted funds meant to be spent down over a relatively short period of time to fund programs, and operating cash, which includes gifts without donor restrictions and with restriction or funds for operating needs.



## THE ASIA SOCIETY

### Notes to Financial Statements

June 30, 2023 and 2022

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Society considers all expenditures related to its ongoing activities of operating the facility, providing a venue for exhibitions relating to the mission and the preservation of historical materials for research, conducting lectures, seminars, and other educational programs to be general expenditures.

The Society's resources that are available to satisfy obligations within one year of the financial statements are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 8,859,814	12,390,204
Contributions and grants receivable due within one year	8,342,734	7,895,130
Accounts receivable	196,891	112,286
Balance of board approved amounts (over)/under spent from prior years	898,189	(58,116)
Nonendowment fund invested	4,652,123	4,698,845
Subsequent year's endowment spending under the board approved policy	4,492,516	4,492,839
	<u>27,442,267</u>	<u>29,531,188</u>
Additional liquidity resources available:		
Board designated endowment	1,840,089	1,814,629
Committed line of credit	1,500,000	1,500,000
	<u>3,340,089</u>	<u>3,314,629</u>
Total financial assets and liquidity resources available for general expenditure within one year	<u>\$ 30,782,356</u>	<u>32,845,817</u>

#### (12) Subsequent Events

In connection with the preparation of the financial statements, the Society evaluated subsequent events after the balance sheet date of June 30, 2023 through October 27, 2023, which was the date the financial statements were available to be issued, and has concluded that there are no subsequent events for disclosure.