



Financial Statements

For the Years Ended September 30, 2016 and 2015

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Independent Auditor's Report

**To the Board of Trustees
The Asia Foundation
San Francisco, California**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of The Asia Foundation (the Foundation), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities and changes in net assets, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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.



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The activity by line of business as presented on the statements of activities and changes in net assets on pages 4 and 5 is presented for purposes of additional analysis, rather than to present the results of activities of each individual line of business, and is not a required part of the financial statements. The accompanying schedules of functional expenses on pages 24 and 25 and the schedule of expenditures of nonfederal bilateral and multilateral awards on pages 26 through 31 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2017, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Clark Nuber PS

Certified Public Accountants
January 29, 2017

THE ASIA FOUNDATION

**Statements of Financial Position
September 30, 2016 and 2015
(In Thousands)**

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 24,857	\$ 28,846
Accounts receivable, net	11,098	12,778
Pledges receivable, net	1,317	304
Books for Asia inventory	6,991	3,709
Prepaid expenses and other assets	2,527	2,854
Investments	12,499	11,967
Property and equipment, net	<u>2,036</u>	<u>2,358</u>
Total Assets	<u>\$ 61,325</u>	<u>\$ 62,816</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 6,110	\$ 7,072
Deferred support	25,783	31,037
Accrued post-retirement benefit obligation	<u>821</u>	<u>890</u>
Total Liabilities	32,714	38,999
Net Assets:		
Unrestricted	16,643	15,544
Temporarily restricted	10,013	6,725
Permanently restricted	<u>1,955</u>	<u>1,548</u>
Total Net Assets	<u>28,611</u>	<u>23,817</u>
Total Liabilities and Net Assets	<u>\$ 61,325</u>	<u>\$ 62,816</u>

See accompanying notes.

THE ASIA FOUNDATION

**Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2016
(In Thousands)**

	Unrestricted				Temporarily Restricted				Permanently Restricted	
	Operations	Books for Asia	Investments	Total	Operations	Books for Asia	Investments	Total	Investments	Total
Support and Revenue:										
Support-										
Government, bilateral and multilateral institutions	\$ 94,508	\$ -	\$ -	\$ 94,508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,508
Foundations, corporations and individuals	5,145			5,145	200			200	407	5,752
Books for Asia program						12,816		12,816		12,816
Net assets released from restriction and reclassifications	228	9,534		9,762	(207)	(9,534)	(21)	(9,762)		
Total support	99,881	9,534		109,415	(7)	3,282	(21)	3,254	407	113,076
Revenue-										
Investment return and other	42		728	770			34	34		804
Total Support and Revenue	99,923	9,534	728	110,185	(7)	3,282	13	3,288	407	113,880
Expenses:										
Program, grants and related services	87,835			87,835						87,835
Books for Asia distribution		9,534		9,534						9,534
Supporting services-										
Administration and general	10,978		44	11,022						11,022
Fundraising	695			695						695
Total Expenses	99,508	9,534	44	109,086						109,086
Change in Net Assets	415		684	1,099	(7)	3,282	13	3,288	407	4,794
Net assets, beginning of year	5,253		10,291	15,544	2,281	3,709	735	6,725	1,548	23,817
Net Assets, End of Year	\$ 5,668	\$ -	\$ 10,975	\$ 16,643	\$ 2,274	\$ 6,991	\$ 748	\$ 10,013	\$ 1,955	\$ 28,611

See accompanying notes.

THE ASIA FOUNDATION

**Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2015
(In Thousands)**

	Unrestricted				Temporarily Restricted				Permanently Restricted	
	Operations	Books for Asia	Investments	Total	Operations	Books for Asia	Investments	Total	Investments	Total
Support and Revenue:										
Support-										
Government, bilateral and multilateral institutions	\$ 103,663	\$ -	\$ -	\$ 103,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,663
Foundations, corporations and individuals	3,917			3,917	838			838	5	4,760
Books for Asia program						12,442		12,442		12,442
Net assets released from restriction and reclassifications	281	10,794		11,075	(176)	(10,794)	(105)	(11,075)		
Total support	107,861	10,794		118,655	662	1,648	(105)	2,205	5	120,865
Revenue-										
Investment return and other	249		(525)	(276)			(80)	(80)		(356)
Total Support and Revenue	108,110	10,794	(525)	118,379	662	1,648	(185)	2,125	5	120,509
Expenses:										
Program, grants and related services	95,234			95,234						95,234
Books for Asia distribution		10,794		10,794						10,794
Supporting services-										
Administration and general	12,785		54	12,839						12,839
Fundraising	676			676						676
Total Expenses	108,695	10,794	54	119,543						119,543
Change in Net Assets	(585)		(579)	(1,164)	662	1,648	(185)	2,125	5	966
Net assets, beginning of year	5,838		10,870	16,708	1,619	2,061	920	4,600	1,543	22,851
Net Assets, End of Year	\$ 5,253	\$ -	\$ 10,291	\$ 15,544	\$ 2,281	\$ 3,709	\$ 735	\$ 6,725	\$ 1,548	\$ 23,817

See accompanying notes.

THE ASIA FOUNDATION

Statements of Cash Flows
For the Years Ended September 30, 2016 and 2015
(In Thousands)

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 4,794	\$ 966
Adjustments to reconcile change in net assets to net cash used by operating activities-		
Noncash activity included in change in net assets:		
Depreciation and amortization	817	677
Realized and unrealized (gain) loss on investments	(382)	1,058
Loss (gain) on disposal of property and equipment	83	(15)
Gifts-in-kind contributions for Books for Asia program	(12,816)	(12,442)
Distribution of books for Books for Asia program	9,534	10,794
Contributions to endowment	(407)	(5)
Changes in assets and liabilities:		
Accounts receivable	1,680	3,965
Pledges receivable	(856)	(245)
Prepaid expenses and other assets	327	(461)
Accounts payable and accrued expenses	(962)	163
Deferred support	(5,254)	(11,127)
Accrued post-retirement benefit obligation	(69)	(320)
Net Cash Used by Operating Activities	(3,511)	(6,992)
Cash Flows From Investing Activities:		
Proceeds from the sale of investments	2,544	4,606
Purchases of investments	(2,694)	(4,902)
Proceeds from the sale of property and equipment	15	15
Purchases of property and equipment	(593)	(946)
Net Cash Used by Investing Activities	(728)	(1,227)
Cash Flows From Financing Activities:		
Proceeds from contributions to endowment	250	5
Net Cash Provided by Financing Activities	250	5
Net Change in Cash and Cash Equivalents	(3,989)	(8,214)
Cash and cash equivalents, beginning of year	28,846	37,060
Cash and Cash Equivalents, End of Year	\$ 24,857	\$ 28,846

See accompanying notes.

THE ASIA FOUNDATION

Notes to Financial Statements

For the Years Ended September 30, 2016 and 2015

(Amounts are Reported in Thousands)

Note 1 - Organization

The Asia Foundation (the Foundation) is a public benefit corporation organized under the laws of the State of California. The Foundation's focus is on international development and is committed to improving lives across a dynamic and developing Asia. Informed by six decades of experience and deep local expertise, its programs address critical issues affecting Asia in the 21st century - governance and law, economic development, women's empowerment, environment and regional cooperation. In addition, its Books for Asia and professional exchange programs are among the ways it encourages Asia's continued development as a peaceful, just, and thriving region of the world. Headquartered in San Francisco, California, the Foundation works through a network of offices in Afghanistan, Bangladesh, Cambodia, China, India, Indonesia, Japan, Korea, Laos, Malaysia, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Timor-Leste, Vietnam and Washington, D.C. Working with public and private partners, the Foundation receives funding from a diverse group of bilateral and multilateral development agencies, foundations, corporations and individuals.

The Foundation is funded by an annual appropriation from the U.S. Congress, competitively bid awards from governmental and multilateral development agencies, including the U.S. Agency for International Development, Australian Department of Foreign Affairs and Trade, United Kingdom's Department for International Development and by private foundations and corporations. The Foundation also receives gifts-in-kind, including books and software from major independent publishing houses, that the Foundation's Books for Asia program distributes each year to institutions throughout Asia.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation - The financial statements of the Foundation have been prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America (U.S. GAAP).

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

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.

Permanently Restricted Net Assets - Net assets restricted by donor-imposed stipulations to be invested in perpetuity. The investment income from these funds is available for current use.

Support and revenue are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Temporary restrictions expire when the donor-stipulated purpose has been fulfilled and/or the donor-stipulated time period has elapsed. Expirations of temporary restrictions result in the reclassification of temporarily restricted net assets to unrestricted net assets and are reported in the statements of activities and changes in net assets as net assets released from restrictions.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Foundation considers all highly liquid funds with an original maturity of three months or less, including those held in the Foundation's investment portfolio, to be cash equivalents.

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Notes to Financial Statements

For the Years Ended September 30, 2016 and 2015

(Amounts are Reported in Thousands)

Note 2 - Continued

Accounts Receivable - Accounts receivable consists of program and other receivables that are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to program or other receivables.

Pledges Receivable - Pledges receivable, unconditional promises to give, that are expected to be collected within one year are recorded at net realizable value. Management provides for probable uncollectible amounts through a charge to contribution revenue and a credit to a valuation allowance based on management's assessment of individual balances. An allowance for doubtful accounts was deemed unnecessary at September 30, 2016 and 2015.

Books for Asia Inventory and Gifts-in-Kind Support - The Foundation recognizes gifts-in-kind consisting of books, software and related shipping services donated to the Foundation's Books for Asia program (the Program). These gifts-in-kind are recognized at fair value on the date received in the statements of activities and changes in net assets. The fair value of the gifts-in-kind support is determined based on the lowest published price, by title of book or software, obtained from independent third parties. The lowest published price is obtained in the principal market or, in the absence of a principal market, the most advantageous market, reflecting the highest and best use of each title. The principal market for these books is one which offers the greatest volume and level of activity for sales of each title. Program expense is recognized as the books are used by or distributed under the Program, at their carrying value as discussed above, on the date of transaction based on specific book or software title. Although it is the Foundation's policy to distribute gifts-in-kind as promptly as possible, the Foundation may hold some gifts-in-kind at year end. Books and software not yet distributed under the Program at year end are reported at the lower of fair value on the date received or impaired value as Books for Asia inventory in the statements of financial position.

Gifts-in-kind revenue consisted of the following for the years ended September 30:

	In Thousands	
	2016	2015
Donated books	\$ 12,730	\$ 12,277
Donated shipping services	86	165
Other donated goods and services	159	26
Total Gifts-in-Kind Revenue	\$ 12,975	\$ 12,468

For the year ended September 30, 2016, approximately 81% of gifts-in-kind revenue was from four donors. For the year ended September 30, 2015, approximately 70% of gifts-in-kind revenue was from one donor.

Investments - Investments in equity securities with readily determinable market values and all debt securities are recorded at fair value. Investments in securities traded on organized securities exchanges are valued at the closing price on the last business day of the fiscal year. The fair value of other investments, principally investments in hedge funds, for which quoted market prices are not available, is determined by management with the assistance of third-party investment managers using methods it considers appropriate. Securities are generally held in custodial investment accounts administered by certain financial institutions.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2016 and 2015 (Amounts are Reported in Thousands)

Note 2 - Continued

Investment securities, in general, are exposed to various risks, including interest rate, credit and overall market volatility. Due to the level of risk associated with certain long-term investments, it is possible that changes in the values of these investments may occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Investment return, including dividends, interest and realized and unrealized gains and losses, are reported in the statements of activities and changes in net assets. Where directed by the donor or grantor, interest earned on award advances is credited to a specific restricted fund for future use as specified in the award agreement. All other interest earned is credited to other restricted and unrestricted fund balances as is appropriate.

Fair Value of Financial Instruments - Financial instruments reported at fair value on a recurring basis include investments. Financial instruments not reported at fair value on a recurring basis include receivables and accounts payable. The carrying amounts of these financial instruments approximate fair value.

Property and Equipment - The Foundation capitalizes property and equipment with a cost of \$5, or greater. Property and equipment are recorded at cost if purchased, or if donated, at fair value at the date of the gift. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which range from three to ten years, with the exception of leasehold improvements. Leasehold improvements are capitalized if they add to the value of the property or prolong its useful life. Leasehold improvements are amortized over the shorter of the life of the leasehold improvement or the lease term. Internally developed software with costs exceeding \$5 are capitalized and depreciated over the software's estimated useful life, which is up to ten years.

Deferred Support - Deferred support represents the unearned portion of funds billed under exchange transactions and collected conditional contributions. Such amounts are recognized as support when earned as the related services are provided or when the donor's conditions are met.

Revenue Recognition - Support from exchange transactions is recognized when earned as the related services are provided. Payments under such transactions are generally received on a cost-reimbursement basis.

Contributions are recognized as revenue when they are unconditionally received or promised. Unconditional pledges that are expected to be collected in future years are included in pledges receivable and discounted to present value based on estimated future cash flows. The discounts on those amounts are computed using appropriate interest rates applicable when the pledges were received.

Conditional contributions are recognized as revenue when the conditions upon which they depend have been substantially met. The Foundation has been named as beneficiary of certain revocable wills and trusts for which the amount and date of expected future contributions cannot be determined. Accordingly, these conditional pledges are not reflected in the accompanying financial statements.

Concentration of Credit Risk - Financial instruments that potentially subject the Foundation to concentrations of credit and market risk consist primarily of cash and cash equivalents, investments and accounts receivable. Cash and cash equivalents and investments held by financial institutions at times exceed Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insured limits.

THE ASIA FOUNDATION

Notes to Financial Statements

For the Years Ended September 30, 2016 and 2015

(Amounts are Reported in Thousands)

Note 2 - Continued

The Foundation operates in a number of foreign countries. As of September 30, 2016 and 2015, the Foundation held approximately \$3,122 and \$3,533 in foreign countries, of which \$1,170 and \$1,831 was in foreign currencies, respectively. Repatriation of funds restrictions may exist in a small number of foreign currency accounts. The Foundation has not experienced any losses in such accounts and closely monitors its cash and investments. Therefore, management believes the Foundation is not exposed to any significant credit risk on cash and cash equivalents or investments.

At September 30, 2016 and 2015, receivables for awards from the U.S. Government represented 53% and 64%, respectively, of the Foundation's accounts receivable. For the years ended September 30, 2016 and 2015, revenue from awards from the U.S. Government provided 40% and 42%, respectively, of the Foundation's support and revenue. For the years ended September 30, 2016 and 2015, revenue from awards from one non-U.S. Government agency provided 22% and 26%, respectively, of the Foundation's support and revenue.

At September 30, 2016, 77% of pledges receivable were due from five donors. At September 30, 2015, 96% of pledges receivable were due from one donor.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Additionally, the Foundation incurs various fundraising expenses.

Tax Exempt Status - The Internal Revenue Service has determined that the Foundation is exempt from federal income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) and is classified as an organization that is not a private foundation under Section 501(a) of the IRC. The Foundation is also recognized by the California Franchise Tax Board as exempt in California under the California Revenue and Taxation Code Section 23701d and is, therefore, exempt from California income and franchise taxes on operations related to its exempt purpose and investment income. The Foundation files tax returns with the United States and various state, local and foreign governments. The Foundation may be subject to tax examinations by the tax authorities of these governments for the current year and certain prior years based on the applicable laws and regulations of each jurisdiction.

Foreign Currency Translation - Substantially all assets and liabilities of the Foundation that are held in foreign currencies are translated to U.S. dollars at year-end exchange rates. Revenue, gains and other support, and expenses are translated at the average weekly exchange rates during the year. Gains and losses from foreign currency translation for the year are included in the statements of activities and changes in net assets. Net foreign currency translation gains totaled \$24 for the year ended September 30, 2016. Net foreign currency translation losses totaled \$105 for the year ended September 30, 2015.

Use of Estimates - The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Reclassifications - Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. Such reclassifications have no effect on the previously reported total assets, liabilities, net assets or change in net assets.

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Notes to Financial Statements For the Years Ended September 30, 2016 and 2015 (Amounts are Reported in Thousands)

Note 2 - Continued

Subsequent Events - The Foundation has evaluated subsequent events through January 29, 2017, the date on which the financial statements were available to be issued.

Note 3 - Program Receivables

Program receivables, included in accounts receivable on the statements of financial position, represent amounts due under funding agreements with public and private entities for program services rendered or to be performed. All program receivables are deemed collectible at September 30, 2016 and 2015.

Program receivables were as follows at September 30:

	In Thousands	
	2016	2015
Billed	\$ 3,435	\$ 7,199
Unbilled	7,296	5,225
Total Program Receivables	\$ 10,731	\$ 12,424

Note 4 - Pledges Receivable

Pledges receivable are due as follows at September 30:

	In Thousands	
	2016	2015
Pledges due in less than one year	\$ 522	\$ 96
Pledges due in two to five years	826	221
	1,348	317
Less present value discount (1.74% - 3.6%)	(31)	(13)
Total Pledges Receivables	\$ 1,317	\$ 304

Note 5 - Investments and Fair Value Measurements

U.S. GAAP provides a framework for measuring fair value. To increase consistency and comparability in fair value measurements, the framework requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants.

The framework uses a three-level valuation hierarchy based on observable and nonobservable inputs. Observable inputs consist of data obtained from independent sources. Nonobservable inputs reflect market assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

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Notes to Financial Statements For the Years Ended September 30, 2016 and 2015 (Amounts are Reported in Thousands)

Note 5 - Continued

Assets and liabilities classified as Level 1 have fair values based on unadjusted quoted market prices for identical instruments in active markets. Assets and liabilities classified as Level 2 have fair values based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, or model-derived valuations whose inputs are observable. Assets and liabilities classified as Level 3 have fair values based on value drivers that are unobservable.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2016 and 2015.

Mutual Funds and Exchange Traded Funds - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Foundation at year end.

Equity Securities - Valued at the closing price reported on the active market on which the securities are traded.

Hedge Funds - Valued using the NAV provided by the investment's manager. The NAV is based on the fair value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of units outstanding at the valuation date. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Beneficial Interest in Charitable Remainder Trust - Valued at the present value of estimated future cash flows to be received by the Foundation based on the value of trust assets, which approximates fair value.

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Notes to Financial Statements
For the Years Ended September 30, 2016 and 2015
(Amounts are Reported in Thousands)

Note 5 - Continued

Investments recorded at fair value on a recurring basis were as follows at September 30, 2016:

	In Thousands			Total
	Level 1	Level 2	Level 3	
Mutual funds-				
Equity - large cap U.S.	\$ 774	\$ -	\$ -	\$ 774
Equity - small/mid cap U.S.	161			161
Equity - international	1,894			1,894
Equity - global	791			791
Real assets/real return	1,528			1,528
Fixed income	2,114			2,114
Fixed income - global	607			607
Total mutual funds	7,869			7,869
Exchange traded funds-				
Equity - global	840			840
Total exchange traded funds	840			840
Equity securities-				
U.S.	159			159
International	848			848
Total equity securities	1,007			1,007
Hedge funds			2,661	2,661
Beneficial interest in charitable remainder trust			122	122
Total Investments at Fair Value on a Recurring Basis	\$ 9,716	\$ -	\$ 2,783	\$ 12,499

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**Notes to Financial Statements
For the Years Ended September 30, 2016 and 2015
(Amounts are Reported in Thousands)**

Note 5 - Continued

Investments recorded at fair value on a recurring basis were as follows at September 30, 2015:

	In Thousands			
	Level 1	Level 2	Level 3	Total
Mutual funds-				
Equity - large cap U.S.	\$ 1,516	\$ -	\$ -	\$ 1,516
Equity - small/mid cap U.S.	150			150
Equity - international	982			982
Equity - global	1,627			1,627
Real assets/real return	1,314			1,314
Fixed income	2,027			2,027
Fixed income - global	573			573
Total mutual funds	8,189			8,189
Equity securities-				
U.S.	158			158
International	795			795
Total equity securities	953			953
Hedge funds			2,708	2,708
Beneficial interest in charitable remainder trust			117	117
Total Investments at Fair Value on a Recurring Basis	\$ 9,142	\$ -	\$ 2,825	\$ 11,967

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Notes to Financial Statements
For the Years Ended September 30, 2016 and 2015
(Amounts are Reported in Thousands)

Note 5 - Continued

The changes in investments classified as Level 3 were as follows for the years ended September 30:

	In Thousands			
	Hedge Funds		Beneficial Interest in Trust	Total
	Private Investors	Skybridge		
Total Level 3 investments, October 1, 2014	\$ 917	\$ -	\$ 99	\$ 1,016
Purchases	425	1,375		1,800
Change in value of beneficial interest in trust			18	18
Unrealized gains (losses) and fees, net	25	(34)		(9)
Total Level 3 Investments, September 30, 2015	1,367	1,341	117	2,825
Purchases	6			6
Sales		(6)		(6)
Change in value of beneficial interest in trust			5	5
Unrealized losses and fees, net	(9)	(38)		(47)
Total Level 3 Investments, September 30, 2016	\$ 1,364	\$ 1,297	\$ 122	\$ 2,783

The table below summarizes significant terms of the agreements with certain investment companies. There are no significant redemption restrictions or unfunded commitments on other types of investments.

Hedge Funds	Fair Value	Remaining Life	Unfunded Commitments	Redemption Terms	Redemption Restrictions
Private Advisors	\$1,364	No limit	None	Quarterly withdrawals with 65 days' written notice.	Redemptions in full are subject to a hold back of 3% on redemption proceeds at the discretion of the Fund's management until the Fund's subsequent audit is completed. Interest is not paid on the hold back.
Skybridge	\$1,297	No limit	None	Quarterly withdrawals with 65 days' written notice.	For partial redemptions, the funds are paid out approximately 30 days after the redemption date. For full redemptions, 95% of the funds are paid out approximately 30 days after redemption date and 5% within 60 days.

The Foundation is named as a beneficiary in a charitable remainder trust held by a third party. The trust assets consist generally of publicly traded investments; however, the Foundation's beneficial interest in the trust is based on the present value of estimated future cash flows over the term of the trust. The Foundation does not control the investment portfolio or the distributions from the trust.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2016 and 2015 (Amounts are Reported in Thousands)

Note 5 - Continued

Investment return on cash and investments was comprised of the following for the years ended September 30:

	In Thousands	
	2016	2015
Interest and dividends	\$ 380	\$ 453
Realized gains (losses)	83	(123)
Unrealized gains (losses)	299	(935)
Investment management fees	(44)	(54)
Investment Return, Net	\$ 718	\$ (659)

Note 6 - Property and Equipment

Property and equipment consisted of the following at September 30:

	In Thousands	
	2016	2015
Furniture and equipment	\$ 2,649	\$ 2,940
Leasehold improvements	2,027	1,733
Automobiles	1,391	1,442
Capitalized software	732	717
	6,799	6,832
Less accumulated depreciation and amortization	(4,763)	(4,474)
Property and Equipment, Net	\$ 2,036	\$ 2,358

As of September 30, 2016 and 2015, \$193 and \$298, respectively, of property and equipment was not yet placed in service and no depreciation or amortization had been recognized.

Note 7 - Pension Plans and Postretirement Benefits

The Foundation provides a defined contribution retirement plan for eligible U.S. payrolled employees paid by the Foundation as a cooperating institution in the Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF). The Foundation's policy is to fund accrued retirement costs. The retirement plan expense incurred by the Foundation related to TIAA/CREF totaled \$1,320 and \$1,439 for the years ended September 30, 2016 and 2015, respectively, and was based on a percentage of salary expense taking into account the start date of the employee.

The Foundation also provides various defined contribution retirement plans for its local employees at the Asian field offices. The plans vary by country with the majority of contributions based on a percentage of salary expense. The total contributions made by the Foundation to these plans totaled \$756 and \$772 for the years ended September 30, 2016 and 2015, respectively.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2016 and 2015 (Amounts are Reported in Thousands)

Note 7 - Continued

In addition to the defined contribution retirement plans, the Foundation provides certain health care and life insurance benefits to retired U. S. employees and their dependents (the Plan). The Plan was amended and curtailed in 2001 to exclude all current and future employees from coverage. The Foundation has the right to modify or terminate these benefits at its discretion.

The actuarial present value of benefit obligations, funded status and change in benefit obligations were as follows for the years ended September 30:

	In Thousands	
	2016	2015
Change in benefit obligation-		
Benefit obligation, beginning of year	\$ 556	\$ 820
Net periodic cost - interest	(17)	24
Benefits paid	(44)	(59)
Adjustment to unrestricted net assets	(33)	(229)
Benefit obligation, end of year	462	556
Change in plan assets-		
Fair value of plan assets, beginning of year		
Employer contributions	44	59
Benefits and expenses paid	(44)	(59)
Fair value of plan assets, end of year		
Accrued Pension Liability, End of Year	\$ 462	\$ 556

Unrecognized net gain for the years ended September 30, 2016 and 2015, totaled \$364 and \$331, respectively. The gains are being amortized over the average future lifetime of covered retirees.

THE ASIA FOUNDATION

**Notes to Financial Statements
For the Years Ended September 30, 2016 and 2015
(Amounts are Reported in Thousands)**

Note 7 - Continued

Assumptions used in the accounting for the above Plan were as follows for the years ended September 30:

	<u>2016</u>	<u>2015</u>
Medical cost trends for-		
Medical benefits	7.0%	7.5%
Prescription drug coverage	9.0%	10.0%
Dental benefits	4.0%	4.0%
Subsequent year rate of increase-		
Medical benefits	-0.5%	-0.5%
Prescription drug coverage	-1.0%	-1.0%
Weighted average discount rate used in determining the accumulated postretirement benefit obligation	2.51%	3.19%

The Foundation expects to make contributions to the Plan as benefit payments are required. Projected benefit payments are expected to be paid as follows:

For the Year Ending September 30,	<u>In Thousands</u>
2017	\$ 49
2018	48
2019	47
2020	44
2021	42
Succeeding 5 years	163

The Foundation also provides certain retirement benefits to local employees in its field offices and retired employees for which the Foundation has a financial liability. This liability totaled \$360 and \$334 at September 30, 2016 and 2015, respectively.

Note 8 - Unrestricted Net Assets

Unrestricted net assets consisted of the following at September 30:

	<u>In Thousands</u>	
	<u>2016</u>	<u>2015</u>
Undesignated	\$ 5,255	\$ 4,851
Board designated for long-term investment	11,353	10,658
Board designated for Indonesia operations	35	35
Total Unrestricted Net Assets	<u>\$ 16,643</u>	<u>\$ 15,544</u>

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2016 and 2015 (Amounts are Reported in Thousands)

Note 9 - Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at September 30:

	In Thousands	
	2016	2015
Books for Asia	\$ 6,991	\$ 3,709
Restricted purpose projects	2,165	2,174
Programs and scholarships	735	725
Beneficial interest in remainder trust	122	117
Total Temporarily Restricted Net Assets	\$ 10,013	\$ 6,725

Net assets were released from restriction either as program purposes were met or by the passage of time as specified by donors as follows during the years ended September 30:

	In Thousands	
	2016	2015
Books for Asia	\$ 9,534	\$ 10,794
Restricted purpose projects	207	176
Programs and scholarships	21	105
Total Temporarily Restricted Net Assets Released	\$ 9,762	\$ 11,075

Note 10 - Endowments

The Foundation's permanently restricted net assets consist of six individual and one general donor-restricted endowment funds established for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on 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. The Board of Trustees of the Foundation has reviewed UPMIFA and, having considered its rights and obligations thereunder, has determined that it is desirable to preserve, on a long-term basis, the fair value of original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this determination, the Foundation classifies as permanently restricted 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 at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

THE ASIA FOUNDATION

Notes to Financial Statements
For the Years Ended September 30, 2016 and 2015
(Amounts are Reported in Thousands)

Note 10 - Continued

In accordance with UPMIFA, the Foundation considers:

- The duration and preservation of the endowment fund;
- The purposes of the Foundation and the endowment fund;
- General economic conditions;
- The possible effect of inflation or deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Foundation; and
- The investment policies of the Foundation.

Changes in donor-restricted endowment net assets were as follows for the years ended September 30:

	In Thousands		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, October 1, 2014	\$ 910	\$ 1,543	\$ 2,453
Endowment investment return-			
Interest and dividends	120		120
Realized and unrealized losses	(230)		(230)
Total endowment investment return	(110)		(110)
Endowment contributions		5	5
Transfers to cover underwater endowments	30		30
Appropriation of endowment for expenditure	(105)		(105)
Endowment Net Assets, September 30, 2015	725	1,548	2,273
Endowment investment return-			
Interest and dividends	15		15
Realized and unrealized gains	16		16
Total endowment investment return	31		31
Endowment contributions		407	407
Appropriation of endowment for expenditure	(21)		(21)
Endowment Net Assets, September 30, 2016	\$ 735	\$ 1,955	\$ 2,690

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2016 and 2015 (Amounts are Reported in Thousands)

Note 10 - Continued

Funds With Deficiencies - From time to time, the fair value of investments associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies at September 30, 2016. At September 30, 2015, such deficiencies totaled \$30.

Return Objectives and Risk Parameters - The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets included those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk. The Foundation currently expects its endowment funds, over time, to provide an average rate of return of approximately 5.7% plus the rate of inflation annually. Actual returns in any given year may vary from this amount.

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

Spending Policy and How the Investment Objectives Relate to the Spending Policy - The Foundation has a policy of appropriating for distribution each year 5% of its permanently restricted endowment fund's weighted-average fair value over the prior 20 quarters at June 30. The valuation takes place three months before the start of the next fiscal year. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation currently expects the current spending policy to allow its endowment to earn an average of 5.7% plus the rate of inflation annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The earnings on the donor-restricted endowments are to be used for general support to the Foundation as well as to support fellowships in conflict resolution, the Washington, D.C. Public Affairs program, advancing human rights, student internships and scholarships.

Note 11 - Department for International Development Project Revenue and Expense

In accordance with the memorandum of understanding between the Foundation and Department for International Development (DFID) for the DFID Program Partnership Agreement (PPA), PPA revenue and expenses were subjected to the auditing procedures applied in the audit of the financial statements of the Foundation. PPA expenditures totaled \$3,914,529 for the year ended September 30, 2016, and are reflected in the schedule of expenditures of nonfederal awards, presented as a supplementary schedule to the financial statements on page 28 (DFID CHASE PPA (YR 4)).

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2016 and 2015 (Amounts are Reported in Thousands)

Note 11 - Continued

Contribution funds received for the PPA were as follows for the year ended September 30, 2016:

DFID Fund Request PO Number	DFID Quarter Funds Requested	Date Funds Received	Amount Received in GBP	Amount Received in USD
40082373	Qtr. 3 - October to December 2015	November 23, 2015	£ 611,257.50	\$ 930,518.34
40082373	Qtr. 4 - January to March 2016	December 14, 2015	611,257.50	924,885.76
40082373	Qtr. 1 - April to June 2016	June 24, 2016	611,257.50	897,142.63
Total Received			<u>£ 1,833,772.50</u>	<u>\$ 2,752,546.73</u>

Funds are received in British Pounds (GBP) and are translated to the United States Dollar (USD) at the prevailing exchange rate on the date received. Revenue for the PPA is recognized as related allowable project costs are incurred and is included in government, bilateral and multilateral institutions revenue in the statements of activities and changes in net assets. Management asserts the satisfactory performance of procedures and internal controls to mitigate risks to which the Foundation would be exposed in administering the contributions.

Note 12 - Commitments and Contingencies

The Foundation leases certain office, equipment and warehouse facilities under various operating leases. Future minimum lease payments for noncancelable operating leases are as follows:

For the Year Ending September 30,	In Thousands
2017	\$ 1,089
2018	1,078
2019	1,086
2020	1,054
2021	830
Thereafter	<u>1,206</u>
Total	<u>\$ 6,343</u>

Rental expense totaled \$2,982 and \$3,513 for the years ended September 30, 2016 and 2015, respectively. The Foundation has a lease with escalating rent payments with future annual minimum lease payments increasing from \$667 to \$804.

The Foundation is liable for accumulated termination rights of employees working overseas in certain countries. The Foundation's policy is to accrue termination rights when local law mandates that payment be made on separation irrespective of the specific circumstances. Accrued termination rights totaled \$2,566 and \$2,559 at September 30, 2016 and 2015, respectively.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2016 and 2015 (Amounts are Reported in Thousands)

Note 12 - Continued

Lawsuits and claims are filed from time to time against the Foundation in the ordinary course of operations. Management does not believe that any outstanding matters will have a material adverse impact on the financial statements.

Under the terms and conditions of award agreements with the Foundation's funders, support funds not spent in accordance with the intent of the agreements may be recovered by the funder. In the opinion of management, adequate provision has been made in the accompanying financial statements for any funds that may be recovered by or are not recoverable from the Foundation's funders.

The Foundation receives funds that are subject to audits by the funders. In the opinion of management, the Foundation's liability, if any, resulting from such claims will not materially affect the Foundation's financial position or its results of activities.

Commitments due by the Foundation under grant agreements to subrecipients for services not yet provided totaled \$12,422 and \$19,968 as of September 30, 2016 and 2015, respectively.

Note 13 - Related Party Transactions

Contributions received from the Foundation's Board of Trustees totaled \$1,660 and \$259 for the years ended September 30, 2016 and 2015, respectively.

SUPPLEMENTARY INFORMATION

THE ASIA FOUNDATION

**Schedule of Functional Expenses
For the Year Ended September 30, 2016
(In Thousands)**

	Program Grants and Related Services	Supporting Services		Total
		Administration and General	Fundraising	
Program grants and subcontracts	\$ 36,310	\$ -	\$ -	\$ 36,310
Staff salaries	15,244	5,022	212	20,478
Non-staff salaries	7,945			7,945
Payroll taxes and employee benefits	11,317	2,748	89	14,154
Office rent and utilities	2,683	658	17	3,358
Travel	5,112	455	22	5,589
Professional fees	373	1,013	113	1,499
Employee housing	1,686			1,686
Personnel - moving expenses	474			474
Communications and supplies	1,489	266	10	1,765
Equipment expenses	2,204	224	6	2,434
General insurance	204	118		322
Conferences, training and other	2,746	466	200	3,412
Foreign currency exchange	(24)			(24)
Public relations		52		52
	<u>87,763</u>	<u>11,022</u>	<u>669</u>	<u>99,454</u>
Books for Asia book distribution	9,534			9,534
Other in-kind	72		26	98
Total Expenses	<u>\$ 97,369</u>	<u>\$ 11,022</u>	<u>\$ 695</u>	<u>\$ 109,086</u>

See independent auditor's report.

THE ASIA FOUNDATION

**Schedule of Functional Expenses
For the Year Ended September 30, 2015
(In Thousands)**

	Program Grants and Related Services	Supporting Services		Total
		Administration and General	Fundraising	
Program grants and subcontracts	\$ 38,333	\$ -	\$ -	\$ 38,333
Staff salaries	16,531	5,456	173	22,160
Non-staff salaries	8,018			8,018
Payroll taxes and employee benefits	12,235	3,322	95	15,652
Office rent and utilities	3,333	712	23	4,068
Travel	6,774	646	21	7,441
Professional fees	477	1,237	89	1,803
Employee housing - overseas	1,896			1,896
Personnel - moving expenses	544	12		556
Communications and supplies	1,483	288	11	1,782
Equipment expenses	1,898	206	9	2,113
General insurance	213	117		330
Conferences, training and other	3,394	756	234	4,384
Foreign currency exchange	105			105
Public relations		87		87
	95,234	12,839	655	108,728
Books for Asia book distribution	10,794			10,794
Other in-kind			21	21
Total Expenses	\$ 106,028	\$ 12,839	\$ 676	\$ 119,543

See independent auditor's report.

THE ASIA FOUNDATION

Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards For the Year Ended September 30, 2016

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Multilateral Awards:			
European Commission-			
Peace-Building in Southern Thailand: Community Confidence and Trust-Building	Thailand	IFS-RRM/2012/288-060	\$ (68,655)
Promoting Regional Cooperation Capacity in Ministry of Foreign Affairs (PRCC-MoFA)	Afghanistan	DCI-ASIE/2013/334286	<u>910,818</u>
Total European Commission			842,163
European Union-			
Support for Peace-Building in Southern Thailand	Thailand	ICSP/2015/371-700	<u>128,264</u>
Total European Union			128,264
International Labour Office-			
Setting Up of Mediation Boards for Migrant Workers and Their Families	Sri Lanka	M27012317690	<u>9,000</u>
Total International Labour Office			9,000
McCann Global Health-			
AG Health Community Strategy Development	Afghanistan	UNCEF# LRPS-2016-9124617	<u>31,987</u>
Total McCann Global Health			31,987
Ministry of Justice AG-			
Building a Sustainable, Affordable and Accessible Legal Aid System in Afghanistan	Afghanistan	TF-012533	<u>144,407</u>
Total Ministry of Justice AG			144,407
The World Bank-			
Sri Lanka: North East Local Services Improvement Project (NELSIP)	Sri Lanka	7175453	36,066
Cross Regional Violence Monitoring Knowledge Exchange Project	Program, Strategy, Innovation and Learning - Thailand	7175804	318,333
Peace and Conflict Study in Myanmar	Myanmar	7178582	<u>88,092</u>
Total The World Bank			442,491
United Nations Children's Fund-			
Provision of Technical Support for the Ministries of Health and Education and Science; HWTS Scale Up	Mongolia		66,865
Environmental Protection and School - and Household - Level Water Treatment and Safe Storage (HWTS): a Pilot Project in Khuvsgul Aimag	Mongolia		(2,430)
Protection of Vulnerable Children Against Online Sex Exploitation	Philippines		<u>142,206</u>
Total United Nations Children's Fund			<u>206,641</u>
Total Multilateral Awards			1,804,953
Other Governments Awards:			
Abt JTA-			
Improving Public Service and Economic Development Through Improvement of Government Citizen Engagement (KOMPAK)	Indonesia		<u>52,058</u>
Total Abt JTA			52,058

See independent auditor's report.

THE ASIA FOUNDATION

**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2016**

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Other Governments Awards (Continued):			
Australian Department of Foreign Affairs and Trade (AusDFAT, formerly AusAID)- Sri Lanka Local Economic Governance Project	Sri Lanka	55249	133,013
AusDFAT The Asia Foundation Partnership in Philippines Improving the Monitoring, Investigation, and Prosecution of Human Rights Violations in the Philippines	Philippines	60149/ PMT 021083116	5,989,479
Prison Reform in Indonesia Phase 3	Philippines	62405	10,119
AusDFAT-TAF Partnership Agreement: Program Initiatives	Indonesia	62753	503,677
	Program, Strategy, Innovation and Learning	62970/1	962,872
AusDFAT-TAF Partnership Agreement: Strategic Dialogue	Programs	62970/1	125,669
Strengthened Access to Justice for Women Affected by Violence in Afghanistan	Afghanistan	66993	3,207,885
Non-Government Organisation Funding to Support Good Public Policy in Public Administration and Public Financial Management in Timor-Leste	Timor-Leste	61971	883,549
Supporting Business Associations for Dynamic and Inclusive Growth (Vietnam)	Vietnam	69124	370,437
Ending Violence Against Women in Timor-Leste	Timor-Leste	69943	3,819,828
Joint Research Program that Responds to the Shared Strategic Needs of Both Government of Australia's Department of Foreign Affairs and Trade DFAT and TAF Building Autonomous and Stable Institutions and Communities for Bangsamoro Advancement Through National-Level and Grassroots Organizations and Networks (B-BANGON)	Cambodia	70915	111,002
Civic Information API	Philippines	70648	332,696
Preventing Intimate Partner Violence (PIPV) Against Women in Cambodia - Stage 1	Indonesia	70831	602,924
Capacity Building Training to LAO MFA	Cambodia	71027	722,805
Afghan Survey 2015-2018	Laos	71613	2,859
Sri Lanka Northern Provincial Council Capacity Building Program	Afghanistan	64520	118,852
PNPM Peduli Phase II	Sri Lanka	71811	196,815
TIM-Strengthen Trans MG	Indonesia	70009	5,533,222
Post-Earthquake Recovery NP	Mongolia	70146	40,909
Sri Lanka Sub National Governance Project	Nepal	71662	670,847
DFAT-TAF Partnership - Innovations in Development Policy and Practice (the Partnership)	Sri Lanka	71894	1,090,701
Countering Violent Extremism in Asia Through Development Assistance	Programs	72281/1	38,597
	Program, Strategy, Innovation and Learning	72281/2	21,724
Research Survey Initiative	Bangladesh	72809	<u>8,661</u>
Total Australian Department of Foreign Affairs and Trade (AusDFAT, formerly AusAID)			25,499,142
Australian Federal Police- Quantitative Study of Community-Police in Timor-Leste in 2015	Timor-Leste		<u>75,156</u>
Total Australian Federal Police			75,156
Australian High Commission- Good Governance Through Youth of Higher Levels Schools and Madrassahs Engaging Youth and Community Leaders to Counter Violence and Extremism in the Border Regions of Sabah	Bangladesh	Direct Aid Program	14,556
	Malaysia	D14/1893967	<u>42,047</u>
Total Australian High Commission			56,603

See independent auditor's report.

THE ASIA FOUNDATION

**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2016**

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Other Governments Awards (Continued):			
Belgian Government-			
The Office of Administrative Affairs and Council of Ministers' Secretariat (Office of the President of the Islamic Republic of Afghanistan) Capacity Enhancement Program			
	Afghanistan	TR/2012/20	<u>(71,898)</u>
Total Belgian Government			(71,898)
British Embassy-			
Afghan Survey 2015-2018			
	Afghanistan		164,250
Institutionalizing the Survey of the Afghan People 2016-2021			
	Afghanistan	300041	125,690
Strengthening Autonomy of the Lao Parliament in Lawmaking and Citizen Representation to Align with UK values			
	Laos		<u>15,712</u>
Total British Embassy			305,652
British High Commission-			
Partnership for Security and Justice: Strengthening Community Policing in Sri Lanka			
	Sri Lanka		319,217
Partnership for Security and Justice: Community Policing			
	Sri Lanka		<u>166,711</u>
Total British High Commission			485,928
Canadian DFATD-			
Pakistan Religious Freedom Initiatives			
	Pakistan	RFF 2013-028	208,991
STEPS: Strengthening Democratic Participation and Transparency in the Public Service Sector in Mongolia			
	Mongolia	PO 7062071	<u>357,712</u>
Total Canadian DFATD			566,703
CARDNO-			
Australia Indonesia Partnership for Justice (AIPJ)			
	Indonesia	AC43600/AIPJ/TAF/SL	<u>1,006,519</u>
Total CARDNO			1,006,519
Department for International Development (DFID)- DFID CHASE PPA (YR 4)			
		Program, Strategy, Innovation and Learning - Thailand	3,914,529
Preventing Violence Against Women and Girls in Cambodia Through Innovations in Mobile Technology			
	Cambodia	ARIES PROJ NO 203244	116,724
Independent Impact and Recovery Monitoring for Accountability in Post-Earthquake Nepal: Phase One			
	Nepal	203385-103	(9,178)
Saving Forests and Land by Improving Governance II			
	Indonesia	204623-101	4,671,705
South Asia Water Governance Programme (SAWGP)			
	India	PO 7159	<u>580,573</u>
Total Department for International Development (DFID)			9,274,353
Deutsche Gesellschaft fur Internationale Zusammenarbeit-			
Afghan Survey 2015-2018			
	Afghanistan	81188787	67,455
Afghan Survey 2016-2021			
	Afghanistan	81205027	83,484
Booster Sample in 19 Districts in Northern Afghanistan			
	Afghanistan	81205540	<u>97,551</u>
Total Deutsche Gesellschaft fur Internationale Zusammenarbeit			248,490
Embassy of Belgium-			
Progressive Cities as Resilient Cities: Why Governance Matters (Progressive Cities Project)			
	Vietnam		<u>7,628</u>
Total Embassy of Belgium			7,628

See independent auditor's report.

THE ASIA FOUNDATION

**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2016**

<u>Nonfederal Grantor/Program Title</u>	<u>Country</u>	<u>Award Number</u>	<u>Expenditures</u>
Other Governments Awards (Continued):			
FCO-			
Facilitating Diverse Public Voice in Thai Political Reform	Thailand		101,329
Reducing Barriers to Food Trade in India	India		35,826
Enhancing Trade and Regional Cooperation Between Pakistan and Afghanistan (PACT)	Pakistan		447,433
Support to Ulaanbaatar City Municipality to Develop the Ulaanbaatar City Green Growth Strategic Action Plan	Mongolia		<u>15,952</u>
Total FCO			600,540
Governance Facility-			
Advanced Technical Assistance to Improve GESI Sensitive Community Mediation Policy and Practice in Nepal (ICOMP)	Nepal	GF-KTM/A2J/Agreement	<u>34,725</u>
Total Governance Facility			34,725
International Development Research-			
Regional Violence Monitoring Knowledge Exchange	Program, Strategy, Innovation and Learning - Thailand	107858-001	<u>55,236</u>
Total International Development Research			55,236
International Development Enterprises-			
Women's Economic Empowerment Through Strengthening Market Systems	Bangladesh	SIDA ID 52170023	<u>18,524</u>
Total International Development Enterprises			18,524
Irish AID-			
Developing a Sustainable Civil Society Sector in Vietnam	Vietnam	VCSF.2013.05	<u>103,743</u>
Total Irish AID			103,743
Korea Development Institute-			
International Development Cooperation Capacity Building Program	South Korea		272,514
South-South Development Cooperation Dialogue: Lessons for Development Effectiveness - Year 5	South Korea		91,385
South-South Development Cooperation Dialogue: Lessons for Development Effectiveness - Year 6	South Korea		<u>59,286</u>
Total Korea Development Institute			423,185
Korea International Development Corporation Centre-			
ODA Project Implementing Organization Youth Internship	Korea, South		<u>19,496</u>
Total Korea International Development Corporation Centre			19,496
Korea International Cooperation Agency-			
Women's Business Center and Incubator (WBC)	Mongolia		<u>214,481</u>
Total Korea International Cooperation Agency			214,481
Multilateral Funders-			
EWG National Election Program - Strengthening Civic Engagement in Elections and Political Processes for Enhanced Transparency and Democratic Accountability	Bangladesh	SDC 81019990	<u>1,002,071</u>
Total Multilateral Funders			1,002,071

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**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2016**

<u>Nonfederal Grantor/Program Title</u>	<u>Country</u>	<u>Award Number</u>	<u>Expenditures</u>
Other Governments Awards (Continued):			
Multiple Funders-			
Institutionalizing the Survey of the Afghan People	Afghanistan	CR 31892 31893 31897 31908	(4,457)
Myanmar Strategic Support Program	Myanmar	71716; 203996-107	835,464
Independent Impact and Recovery Monitoring for Accountability in Post-Earthquake Nepal: PHASE Two	Nepal	203385-103; 8104153	449,626
Institutionalizing the Survey of the Afghan People 2016-2021	Afghanistan	CR 31959 31960 31961 31962	(11,407)
Tourism Website for Ministry of Tourism of Dili	Timor-Leste		<u>51,613</u>
Total Multiple Funders			1,320,839
New Zealand Agency of International Development- Quantitative Study of Community - Police Relationships in Timor-Leste	Timor-Leste	A1059-A02	<u>18,098</u>
Total New Zealand Agency of International Development			18,098
New Zealand Embassy-			
Promoting Improved Access to Justice and Human Rights			
Protection in Southern Thailand Through Forensic Capacity Development	Thailand	GSF 14/97	35,320
Hametin Koperasaun Hamutuk Polisia ho Komunidade (HAKOHAK)	Timor-Leste	GRA-560-4	<u>1,089,926</u>
Total New Zealand Embassy			1,125,246
Niti Foundation-			
MaRPEG - Managing Resource Based Disputes for Peace-Building and Economics Growth	Nepal		<u>7,597</u>
Total Niti Foundation			7,597
Norwegian Ministry of Foreign Affairs-			
NORAD - Strengthening Local Governance in Timor-Leste to Better Address Women's Need in Development	Timor-Leste	TIM 2044-TIM-11/0011	<u>62,899</u>
Total Norwegian Ministry of Foreign Affairs			62,899
NOW-WOTRO - Netherlands Organization for Scientific Research			
Land Rights and Access to Land Survey in Timor-Leste, a Tool for Evidence-Based Policy and Advocacy	Timor-Leste	W 08.400.123	<u>24,576</u>
Total NOW-WOTRO - Netherlands Organization for Scientific Research			24,576
Office of the President-			
Mindanao Surveys			<u>8,527</u>
Total Office of the President			8,527
Overseas Development Institute-			
Economic Dialogue on Inclusive Growth in Bangladesh	Bangladesh		<u>86,340</u>
Total Overseas Development Institute			86,340
Palladium Group-			
Mobile Banking - Financial Inclusion and Economic Empowerment for Low Income Population and Women in Vietnam	Vietnam		<u>4,678</u>
Total Palladium Group			4,678

See independent auditor's report.

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**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2016**

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Other Governments Awards (Continued):			
Royal Netherlands Embassy-			
Open and Transparent Governance in China: For Expansion of 'Information and Participation Rights in China; Putting into Practice Open Government Legislation in Hunan'	China	22250	35
Human Rights Fund - Phase III	Pakistan	24684	247,926
Enhancing Protection and Respect for Religious Freedom and Human Rights (PROSPECT)	Indonesia	24669	702,622
Support for Non-State Justice Providers and Advocates for Peace in Afghanistan	Afghanistan	27284	1,753,837
Strengthening Institutional Response to Child Abuse by Parents and Caregivers in China	China	PEK-PAP-2015/042	<u>201,784</u>
Total Royal Netherlands Embassy			2,906,204
Swiss Agency for Development and Cooperation-			
Support Mongolia's Efforts to Combat Trafficking in Persons	Mongolia	82002460	25
Engaging Stakeholders for the Environmental Conservation - Phase II (ESEC II)	Mongolia	81018776	866,134
Mandate for Implementing Component 2 of GDP: Urban Governance	Mongolia	81034716	<u>660,092</u>
Total Swiss Agency for Development and Cooperation			1,526,251
The Danish Ministry of Foreign Affairs-			
Enhancing State and Society Commitment to Human Rights in Indonesia	Indonesia		<u>624,930</u>
Total The Danish Ministry of Foreign Affairs			<u>624,930</u>
The Royal Danish Embassy-			
Strengthening Civic Value Through Religious Institutions and the Police in Indonesia (Phase II)	Indonesia	104.Indonesien.1.MRD	<u>1,514</u>
Total The Royal Danish Embassy			<u>1,514</u>
Total Other Governments Awards			<u>47,696,034</u>
Total Multilateral and Bilateral Awards			<u>\$ 49,500,987</u>

Note to the Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards

The schedule of expenditures of nonfederal bilateral and multilateral awards (the Schedule) was prepared on the accrual basis of accounting. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of operations to amounts reported as expenditures in prior years.