



Financial Statements

For the Years Ended September 30, 2017 and 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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. 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 19, 2018, 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 solely 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 the effectiveness of the Foundation's 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 19, 2018

THE ASIA FOUNDATION

Statements of Financial Position
September 30, 2017 and 2016
(In Thousands)

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 21,002	\$ 24,857
Accounts receivable, net	10,403	11,098
Pledges receivable, net	1,267	1,317
Books for Asia inventory	8,509	6,991
Prepaid expenses and other assets	2,716	2,527
Investments	14,423	12,499
Property and equipment, net	<u>1,656</u>	<u>2,036</u>
Total Assets	<u>\$ 59,976</u>	<u>\$ 61,325</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 6,612	\$ 6,110
Deferred support	20,289	25,783
Accrued post-retirement benefit obligation	<u>683</u>	<u>821</u>
Total Liabilities	27,584	32,714
Net Assets:		
Unrestricted	17,622	16,643
Temporarily restricted	11,798	10,013
Permanently restricted	<u>2,972</u>	<u>1,955</u>
Total Net Assets	<u>32,392</u>	<u>28,611</u>
Total Liabilities and Net Assets	<u>\$ 59,976</u>	<u>\$ 61,325</u>

See accompanying notes.

THE ASIA FOUNDATION

**Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2017
(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	\$ 90,910	\$ -	\$ -	\$ 90,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,910
Foundations, corporations and individuals	3,772			3,772	850			850	1,017	5,639
Books for Asia program						10,183		10,183		10,183
Net assets released from restriction and reclassifications	889	8,655		9,544	(809)	(8,655)	(80)	(9,544)		
Total support	95,571	8,655		104,226	41	1,528	(80)	1,489	1,017	106,732
Revenue-										
Investment return and other	60		1,076	1,136			296	296		1,432
Total Support and Revenue	95,631	8,655	1,076	105,362	41	1,528	216	1,785	1,017	108,164
Expenses:										
Program, grants and related services	83,665			83,665						83,665
Books for Asia distribution		8,655		8,655						8,655
Supporting services-										
Administration and general	11,645			11,645						11,645
Fundraising	418			418						418
Total Expenses	95,728	8,655		104,383						104,383
Change in Net Assets	(97)		1,076	979	41	1,528	216	1,785	1,017	3,781
Net assets, beginning of year	5,668		10,975	16,643	2,274	6,991	748	10,013	1,955	28,611
Net Assets, End of Year	\$ 5,571	\$ -	\$ 12,051	\$ 17,622	\$ 2,315	\$ 8,519	\$ 964	\$ 11,798	\$ 2,972	\$ 32,392

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

**Statements of Cash Flows
For the Years Ended September 30, 2017 and 2016
(In Thousands)**

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 3,781	\$ 4,794
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	568	817
Realized and unrealized gain on investments	(1,041)	(382)
Loss on disposal of property and equipment	80	83
Gifts-in-kind contributions for Books for Asia program	(10,183)	(12,816)
Distribution of books for Books for Asia program	8,655	9,534
Contributions to endowment	(1,017)	(407)
Changes in assets and liabilities:		
Accounts receivable	705	1,680
Pledges receivable	50	(856)
Prepaid expenses and other assets	(189)	327
Accounts payable and accrued expenses	502	(962)
Deferred support	(5,494)	(5,254)
Accrued post-retirement benefit obligation	(138)	(69)
Net Cash Used by Operating Activities	(3,721)	(3,511)
Cash Flows From Investing Activities:		
Proceeds from the sale of investments	10,046	2,544
Purchases of investments	(10,929)	(2,694)
Proceeds from the sale of property and equipment	12	15
Purchases of property and equipment	(280)	(593)
Net Cash Used by Investing Activities	(1,151)	(728)
Cash Flows From Financing Activities:		
Proceeds from contributions to endowment	1,017	250
Net Cash Provided by Financing Activities	1,017	250
Net Change in Cash and Cash Equivalents	(3,855)	(3,989)
Cash and cash equivalents, beginning of year	24,857	28,846
Cash and Cash Equivalents, End of Year	\$ 21,002	\$ 24,857

See accompanying notes.

THE ASIA FOUNDATION

Notes to Financial Statements

For the Years Ended September 30, 2017 and 2016

(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 annually approved 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, 2017 and 2016

(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, 2017 and 2016.

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 net realizable 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	
	2017	2016
Donated books	\$ 10,094	\$ 12,730
Donated shipping services	89	86
Other donated goods and services	3	159
Total Gifts-in-Kind Support	\$ 10,186	\$ 12,975

For the year ended September 30, 2017, approximately 92% of gifts-in-kind revenue was from two donors. For the year ended September 30, 2016, approximately 81% of gifts-in-kind revenue was from four donors.

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.

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Notes to Financial Statements For the Years Ended September 30, 2017 and 2016 (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 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 external 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, 2017 and 2016 (Amounts are Reported in Thousands)

Note 2 - Continued

The Foundation operates in a number of foreign countries. As of September 30, 2017 and 2016, the Foundation held approximately \$3,192 and \$3,122 in foreign countries, of which \$1,920 and \$1,170 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, 2017 and 2016, receivables for awards from the U.S. Government represented 62% and 53%, respectively, of the Foundation's accounts receivable. For each of the years ended September 30, 2017 and 2016, revenue from awards from the U.S. Government provided 40% of the Foundation's total support, respectively. For the years ended September 30, 2017 and 2016, support from the annually approved appropriation from the U.S. Congress provided 16% and 14%, respectively, of the Foundation's total support. This appropriation is subject to annual budget approval by the U.S. Government. For the year ended September 30, 2017, revenue from awards from two non-U.S. Government agencies provided 31% of the Foundation's total support. For the year ended September 30, 2016, revenue from awards from one non-U.S. Government agency provided 22% of the Foundation's total support.

At September 30, 2017 and 2016, 66% and 73% of the Foundation's pledges receivable were due from five donors, respectively.

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 loss totaled \$15 for the year ended September 30, 2017. Net foreign currency translation gain totaled \$24 for the year ended September 30, 2016.

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.

Subsequent Events - The Foundation has evaluated subsequent events through January 19, 2018, the date on which the financial statements were available to be issued.

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Notes to Financial Statements For the Years Ended September 30, 2017 and 2016 (Amounts are Reported in Thousands)

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, 2017 and 2016.

Program receivables were as follows at September 30:

	In Thousands	
	2017	2016
Billed	\$ 4,612	\$ 3,435
Unbilled	5,298	7,296
Total Program Receivables	\$ 9,910	\$ 10,731

Note 4 - Pledges Receivable

Pledges receivable are due as follows at September 30:

	In Thousands	
	2017	2016
Pledges due in less than one year	\$ 639	\$ 522
Pledges due in two to five years	666	826
	1,305	1,348
Less present value discount (1.74% - 3.6%)	(38)	(31)
Total Pledges Receivable	\$ 1,267	\$ 1,317

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.

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.

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**Notes to Financial Statements
For the Years Ended September 30, 2017 and 2016
(Amounts are Reported in Thousands)**

Note 5 - Continued

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, 2017 and 2016.

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.

Investments recorded at fair value on a recurring basis were as follows at September 30, 2017:

	In Thousands			
	Level 1	Level 2	Level 3	Total
Mutual funds-				
Equity - large cap U.S.	\$ 3,031	\$ -	\$ -	\$ 3,031
Equity - small/mid cap U.S.	1,266			1,266
Equity - international	2,960			2,960
Tactical	688			688
Blended	1,343			1,343
Diversified	794			794
Commodity	318			318
Energy/natural resources	327			327
Fixed income	2,537			2,537
Fixed income - global	1,009			1,009
Total mutual funds	14,273			14,273
Beneficial interest in charitable remainder trust			150	150
Total Investments at Fair Value on a Recurring Basis	\$ 14,273	\$ -	\$ 150	\$ 14,423

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**Notes to Financial Statements
For the Years Ended September 30, 2017 and 2016
(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			
	Level 1	Level 2	Level 3	Total
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, 2017 and 2016
(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, 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
Sales	(1,342)	(1,290)		(2,632)
Change in value of beneficial interest in trust			28	28
Realized losses and fees, net	(22)	(7)		(29)
Total Level 3 Investments, September 30, 2017	\$ -	\$ -	\$ 150	\$ 150

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

	In Thousands	
	2017	2016
Interest and dividends	\$ 331	\$ 380
Realized (losses) gains	(32)	83
Unrealized gains	1,073	299
Investment management fees	(51)	(44)
Investment Return, Net	\$ 1,321	\$ 718

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2017 and 2016 (Amounts are Reported in Thousands)

Note 6 - Property and Equipment

Property and equipment consisted of the following at September 30:

	In Thousands	
	2017	2016
Furniture and equipment	\$ 2,505	\$ 2,649
Leasehold improvements	2,049	2,027
Automobiles	1,417	1,391
Capitalized software	823	732
	6,794	6,799
Less accumulated depreciation and amortization	(5,138)	(4,763)
Property and Equipment, Net	\$ 1,656	\$ 2,036

As of September 30, 2017 and 2016, \$78 and \$193, 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 \$1,287 and \$1,320 for the years ended September 30, 2017 and 2016, 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 \$718 and \$756 for the years ended September 30, 2017 and 2016, respectively.

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 ASIA FOUNDATION

**Notes to Financial Statements
For the Years Ended September 30, 2017 and 2016
(Amounts are Reported in Thousands)**

Note 7 - Continued

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	
	2017	2016
Change in benefit obligation-		
Benefit obligation, beginning of year	\$ 462	\$ 556
Net periodic cost - interest	(32)	(17)
Benefits paid	(45)	(44)
Adjustment to unrestricted net assets	(18)	(33)
	<u>367</u>	<u>462</u>
Benefit obligation, end of year	367	462
Change in plan assets-		
Fair value of plan assets, beginning of year		
Employer contributions	45	44
Benefits and expenses paid	(45)	(44)
	<u> </u>	<u> </u>
Fair value of plan assets, end of year	<u> </u>	<u> </u>
Accrued Pension Liability, End of Year	<u>\$ 367</u>	<u>\$ 462</u>

Unrecognized net gain for the years ended September 30, 2017 and 2016, totaled \$382 and \$364, respectively. The gains are being amortized over the average future lifetime of covered retirees.

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

	2017	2016
Medical cost trends for-		
Medical benefits	6.5%	7.0%
Prescription drug coverage	8.0%	9.0%
Dental benefits	4.0%	4.0%
Subsequent year rate of decrease-		
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	2.91%	2.51%

THE ASIA FOUNDATION

**Notes to Financial Statements
For the Years Ended September 30, 2017 and 2016
(Amounts are Reported in Thousands)**

Note 7 - Continued

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>
2018	\$ 47
2019	44
2020	42
2021	39
2022	35
Succeeding 5 years	130

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 \$316 and \$359 at September 30, 2017 and 2016, respectively.

Note 8 - Unrestricted Net Assets

Unrestricted net assets consisted of the following at September 30:

	<u>In Thousands</u>	
	<u>2017</u>	<u>2016</u>
Undesignated	\$ 5,121	\$ 5,255
Board designated for long-term investment	12,466	11,353
Board designated for Indonesia operations	35	35
Total Unrestricted Net Assets	<u>\$ 17,622</u>	<u>\$ 16,643</u>

Note 9 - Temporarily Restricted Net Assets

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

	<u>In Thousands</u>	
	<u>2017</u>	<u>2016</u>
Books for Asia	\$ 8,517	\$ 6,991
Restricted purpose projects	2,207	2,165
Programs and scholarships	924	735
Beneficial interest in remainder trust	150	122
Total Temporarily Restricted Net Assets	<u>\$ 11,798</u>	<u>\$ 10,013</u>

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2017 and 2016 (Amounts are Reported in Thousands)

Note 9 - Continued

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

	In Thousands	
	2017	2016
Books for Asia	\$ 8,655	\$ 9,534
Restricted purpose projects	809	207
Programs and scholarships	80	21
Total Temporarily Restricted Net Assets Released	\$ 9,544	\$ 9,762

Note 10 - Endowments

The Foundation's permanently restricted net assets consist of seven 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.

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.

THE ASIA FOUNDATION

Notes to Financial Statements
For the Years Ended September 30, 2017 and 2016
(Amounts are Reported in Thousands)

Note 10 - Continued

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, 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
Endowment investment return-			
Interest and dividends	79		79
Realized and unrealized gains	190		190
Total endowment investment return	269		269
Endowment contributions		1,017	1,017
Appropriation of endowment for expenditure	(80)		(80)
Endowment Net Assets, September 30, 2017	\$ 924	\$ 2,972	\$ 3,896

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. At September 30, 2017 and 2016, there were no such deficiencies.

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 5.05%. Actual returns in any given year may vary from this amount.

THE ASIA FOUNDATION

Notes to Financial Statements

For the Years Ended September 30, 2017 and 2016

(Amounts are Reported in Thousands)

Note 10 - Continued

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 5.05%. 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 \$2,192,673 for the year ended September 30, 2017, and are reflected in the schedule of expenditures of nonfederal awards, presented as a supplementary schedule to the financial statements on page 26 (DFID CHASE PPA (YR 4)).

Contribution funds received for the PPA were as follows for the year ended September 30, 2017:

<u>DFID Fund Request PO Number</u>	<u>DFID Quarter Funds Requested</u>	<u>Date Funds Received</u>	<u>Amount Received in GBP</u>	<u>Amount Received in USD</u>
40082373	Qtr. 2 - July to September 2016	October 20, 2016	£ 611,257.50	\$ 749,523.95
40082373	Qtr. 3 - October to December 2016	October 20, 2016	<u>611,257.50</u>	<u>749,707.94</u>
		Total Received	<u>£ 1,222,515.00</u>	<u>\$ 1,499,231.89</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.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2017 and 2016 (Amounts are Reported in Thousands)

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,	<u>In Thousands</u>
2018	\$ 1,160
2019	1,138
2020	1,067
2021	830
2022	804
Thereafter	<u>402</u>
Total	<u>\$ 5,401</u>

Rental expense totaled \$2,597 and \$2,982 for the years ended September 30, 2017 and 2016, 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 \$2,655 and \$2,566 at September 30, 2017 and 2016, respectively.

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 \$13,540 and \$12,422 as of September 30, 2017 and 2016, respectively.

Note 13 - Related Party Transactions

Contributions received from the Foundation's Board of Trustees totaled \$1,989 and \$1,660 for the years ended September 30, 2017 and 2016, respectively.

SUPPLEMENTARY INFORMATION

Independent Auditor's Report on Supplementary Information

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

Report on Supplementary Information

We have audited the financial statements of The Asia Foundation as of and for the year ended September 30, 2017, and have issued our report thereon dated January 19, 2018, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to January 19, 2018.

The accompanying schedules of functional expenses on pages 23 and 24 and the schedule of expenditures of nonfederal bilateral and multilateral awards on pages 25 through 30 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 Matter

In our report dated January 19, 2018, we expressed an unmodified opinion on the supplementary information on pages 23 through 30. Management has elected to revise certain line items on the schedule of functional expenses for the year ended September 30, 2017, on pages 23 and 24. Our opinion is not modified with respect to that matter.

Clark Nuber PS

Certified Public Accountants
March 1, 2018



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THE ASIA FOUNDATION

**Schedule of Functional Expenses
For the Year Ended September 30, 2017
(In Thousands)**

	Program Grants and Related Services	Supporting Services		Total
		Administration and General	Fundraising	
Program grants and subcontracts	\$ 31,868	\$ -	\$ -	\$ 31,868
Staff salaries	14,968	5,243	213	20,424
Non-staff salaries	8,875			8,875
Payroll taxes and employee benefits	10,874	2,815	80	13,769
Office rent and utilities	2,708	613	18	3,339
Travel	5,586	521	4	6,111
Professional fees	346	1,136	50	1,532
Employee housing	1,545	59		1,604
Personnel - moving expenses	440	7		447
Communications and supplies	1,298	290	7	1,595
Equipment expenses	1,819	247	4	2,070
General insurance	192	114		306
Conferences, training and other	3,034	558	42	3,634
Foreign currency exchange	15			15
Public relations		42		42
	83,568	11,645	418	95,631
Books for Asia book distribution	8,655			8,655
Other in-kind	97			97
Total Expenses	\$ 92,320	\$ 11,645	\$ 418	\$ 104,383

See independent auditor's report.

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 Expenditures of Nonfederal Bilateral and Multilateral Awards For the Year Ended September 30, 2017

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Multilateral Awards:			
Asian Development Bank Social Accountability Research Project	Cambodia	RETA 8595 ADB-TAF	\$ 84,077
Total Asian Development Bank			84,077
European Commission- Promoting Regional Cooperation Capacity in Ministry of Foreign Affairs (PRCC-MoFA)	Afghanistan	DCI-ASIE/2013/334286	138,123
Total European Commission			138,123
European Union- Support for Peacebuilding in Southern Thailand Improving Government Accountability Through Social Auditing	Thailand Timor - Leste	ICSP/2015/371-700 CSO-LA/2016/375-900	388,802 338,099
Total European Union			726,901
Information Society Innovation Fund Asia- My Community Reader: A Mobile-First Distributed Translation Tool and Reader for Ethnic Minority Languages	Thailand		20,142
Total Information Society Innovation Fund Asia			20,142
McCann Global Health- AG Health Community Strategy Development	Afghanistan	UNCEF# LRPS-2016- 9124617	87,881
Total McCann Global Health			87,881
Ministry of Justice AG- Building a Sustainable, Affordable and Accessible Legal Aid System in Afghanistan	Afghanistan	TF-012533	175,604
Total Ministry of Justice AG			175,604
The World Bank- Cross Regional Violence Monitoring Knowledge Exchange Project	Program Specialists		
	Group - TH	7175804	(5)
Peace and Conflict Study in Myanmar	Myanmar	7178582	397,481
South Asia Regional Trade Facilitation Program (SARTFP)	India	7182473	50,000
Total The World Bank			447,476
United Nations Environment Programme- Chemicals and Waste	Mongolia	P1-33JCL-000031	6,603
Total United Nations Environment Programme			6,603
United Nations Development Programme- Partnership for a Tolerant Inclusive Bangladesh (PTIB)	Bangladesh	00093612	6,827
Total United Nations Development Programme			6,827
United Nations Children's Fund- Protection of Vulnerable Children Against Online Sex Exploitation	Philippines		126,636
Total United Nations Children's Fund			126,636
Total Multilateral Awards			1,820,270

See independent auditor's report.

THE ASIA FOUNDATION

**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2017**

<u>Nonfederal Grantor/Program Title</u>	<u>Country</u>	<u>Award Number</u>	<u>Expenditures</u>
Other Governments Awards:			
Abt JTA-			
Improving Public Service and Economic Development Through Improvement of Government Citizen Engagement (KOMPAK)	Indonesia		<u>1,077,540</u>
Total Abt JTA			1,077,540
Australian Department of Foreign Affairs and Trade (AusDFAT, formerly AusAID)-			
AusDFAT The Asia Foundation Partnership in Philippines	Philippines	60149	4,626,141
Strengthened Access to Justice for Women Affected by Violence in Afghanistan	Afghanistan	66993	1,616,950
Non-Government Organisation Funding to Support Good Public Policy in			
Public Administration and Public Financial Management in Timor - Leste	Timor - Leste	61971	757,654
Supporting Business Associations for Dynamic and Inclusive Growth (Vietnam)	Vietnam	69124	328,845
PNPM Phase II: National Program for Community Empowerment	Indonesia	70009	4,260,086
Ending Violence Against Women in Timor - Leste	Timor - Leste	69943	3,595,614
Building Autonomous and Stable Institutions and Communities for Bangsamoro			
Advancement Through National-Level and Grassroots Organizations and Networks (B-BANGON)	Philippines	70948	216,247
Civic Information API	Indonesia	70831	123,633
Preventing Intimate Partner Violence (PIPV) Against Women in Cambodia - Stage 1	Cambodia	71027	763,042
Mediating Local Conflict and Reducing Vulnerability Post-Earthquake Recovery in Nepal	Nepal	71662	847,930
Sri Lanka Northern Provincial Council Capacity Building Program	Sri Lanka	71811	149,408
Sri Lanka Sub National Governance Project	Sri Lanka	71894	1,163,054
DFAT-TAF Partnership - Innovations in Development Policy and Practice (the Partnership)	Programs	72580/1	579,379
Institutionalizing the Survey of the Afghan People 2017-2019	Afghanistan	73472	137,171
Countering Violent Extremism in Asia through Development Assistance	PSIL - TH	72580/2	48,215
Research Survey Initiative	Bangladesh	72809	65,106
Sustainable Development Investment Portfolio Phase 2 (SDIP Phase 2)	India	72580/3	265,809
Strategic Partnership on Subnational Governance in Nepal	Nepal	72580/4	1,309,321
Public Perception Research on Countering Violent Extremism	Program Specialists		
	Group - TH	72580/5	35,244
Strengthening Civil Society in Solomon Islands	Programs	72580/6	67,260
Cohesion, Advocacy, Resilience and Expansive Engagement (CARE) for			
Peace in the Philippines	Philippines	73672	89,211
Myanmar Strategic Support Program	Myanmar	71716	<u>350,917</u>
Total Australian Department of Foreign Affairs and Trade (AusDFAT, formerly AusAID)			21,396,237
Australian High Commission-			
Engaging Youth and Community Leaders to Counter Violence and Extremism in the Border Regions of Sabah	Malaysia	D14/1893967	<u>38,826</u>
Total Australian High Commission			38,826
British Embassy-			
Institutionalizing the Survey of the Afghan People 2016-2021	Afghanistan	300041	306,902
Strengthening Autonomy of the Lao Parliament in Lawmaking and Citizen Representation to Align with UK Values	Laos		33,787
Supporting the Improvement of the Judicial Process in Second Level Courts in the Philippines	Philippines		31,543
Business Transformation of Courts - PH Be	Philippines		<u>9,327</u>
Total British Embassy			381,559

See independent auditor's report.

THE ASIA FOUNDATION

Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2017

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Other Governments Awards (Continued):			
British High Commission- Partnership for Security and Justice - Institutionalising Community Policing	Sri Lanka		<u>363,878</u>
Total British High Commission			363,878
Canadian DFATD- STEPS: Strengthening Democratic Participation and Transparency in the Public Service Sector in Mongolia	Mongolia	PO 7062071	509,152
Evidence-Based Communications Planning for the Bangsamoro Peace Process	Philippines	PSOP 16-105	<u>117,746</u>
Total Canadian DFATD			626,898
CARDNO- Australia Indonesia Partnership for Justice (AIPJ) The Australia-Asia Program To Combat Trafficking In Persons (AAPTIP)	Indonesia Program Specialists Group - DC	AC43600/AIPJ/TAF/SL-	707,754
AIPJ 2 - Strengthening Prison Reform in Indonesian (Prison Reform Phase IV)	Indonesia	AC46900/AIPJ2/TAF/GN	<u>1,912</u>
Total CARDNO			827,065
Department for International Development (DFID)- DFID CHASE PPA (YR 4)	Program Specialists Group - TH		2,192,673
SETAPAK II	Indonesia	204623-101	6,621,217
South Asia Water Governance Programme (SAWGP)	India	PO 7159	2,253,615
NSGI Kyrgyzstan	Evaluation & Learning - TH	40101952	82,001
Data Development in Nepal	Nepal	203385-103	129,459
Myanmar Strategic Support Program	Myanmar	203996-107; PO 40094214	<u>545,698</u>
Total Department for International Development (DFID)			11,824,663
Deutsche Gesellschaft fur Internationale Zusammenarbeit- Cofinancing Survey of the Afghan People 2016	Afghanistan	81205027	85,642
Booster Sample in 19 Districts in Northern Afghanistan	Afghanistan	81205540	29,235
Cofinancing Survey of the Afghan People 2017	Afghanistan	81213630	<u>63,922</u>
Total Deutsche Gesellschaft fur Internationale Zusammenarbeit			178,799
Development Alternatives- Growth with Equity in Myanmar Programme (GEM)	Myanmar		<u>46,830</u>
Total Development Alternatives			46,830
Embassy of Belgium- Progressive Cities as Resilient Cities: Why Governance Matters (Progressive Cities Project)	Vietnam		<u>(255)</u>
Total Embassy of Belgium			(255)
Foreign & Commonwealth Office- Enhancing Trade and Regional Cooperation between Pakistan and Afghanistan (PACT)	Pakistan		201,117
Inter-Faith and Inter-Communal Dialogue in High Risk Areas in Sri Lanka	Sri Lanka	CPG/1323/2016	297,530
Investing to Community Security; Associated with Framework Agreement	Myanmar	CPG/1265/2016	430,109
CCSF: Support for Sri Lankan Police Reform	Sri Lanka	CPG/1752/2017	<u>134,834</u>
Total Foreign & Commonwealth Office			1,063,590

See independent auditor's report.

THE ASIA FOUNDATION

**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2017**

<u>Nonfederal Grantor/Program Title</u>	<u>Country</u>	<u>Award Number</u>	<u>Expenditures</u>
Other Governments Awards (Continued):			
German Embassy- Enabling Environment for Minorities to Participate in Electoral and Political Processes	Pakistan	S03-381-50-P-59/17	<u>182,151</u>
Total German Embassy			182,151
Global Affairs Canada- Deliberative Democracy for Citizens of Ulaanbaatar	Mongolia	PO 7063388	<u>73,917</u>
Total Global Affairs Canada			73,917
Governance Facility- Advanced Technical Assistance to Improve GESI Sensitive Community Mediation Policy and Practice in Nepal (ICOMP)	Nepal	GF-KTM/A2J/Agreement	<u>220,513</u>
Total Governance Facility			220,513
International Development Enterprises- Women's Economic Empowerment Through Strengthening Market Systems	Bangladesh	SIDA ID 52170023	<u>323,980</u>
Total International Development Enterprises			323,980
International Development Research- Monitoring Subnational Violence in Asia	Program Specialists	108239-001	<u>182,648</u>
Total International Development Research			182,648
Irish AID- Developing a Sustainable Civil Society Sector in Vietnam	Vietnam	VCSF.2013.05	<u>9,242</u>
Total Irish AID			9,242
Korea Development Institute- International Development Cooperation Capacity Building Program South-South Development Cooperation Dialogue: Lessons for Development Effectiveness - Year 6	South Korea		212,811
International Development Cooperation Capacity Building 2017 South-South Development Cooperation Dialogue: Lessons for Development Effectiveness - Year 7	South Korea		76,003
	South Korea		91,883
	South Korea		<u>58,311</u>
Total Korea Development Institute			439,008
Korea International Development Corporation Centre- ODA Project Implementing Organization Youth Internship	Korea, South		<u>19,598</u>
Total Korea International Development Corporation Centre			19,598
Korea International Cooperation Agency- Women's Business Center and Incubator (WBC)	Mongolia		<u>589,321</u>
Total Korea International Cooperation Agency			589,321
Multilateral Funders- EWG National Election Program - Strengthening Civic Engagement in Elections and Political Processes for Enhanced Transparency and Democratic Accountability	Bangladesh	SDC 81019990	<u>(44,470)</u>
Total Multilateral Funders			(44,470)

See independent auditor's report.

THE ASIA FOUNDATION

**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2017**

<u>Nonfederal Grantor/Program Title</u>	<u>Country</u>	<u>Award Number</u>	<u>Expenditures</u>
Other Governments Awards (Continued):			
Multiple Funders-			
Independent Impact and Recovery Monitoring for Accountability in Post-Earthquake Nepal: PHASE Two	Nepal	203385-103; 8104153 CR 31959 31960 31961	435,345
Institutionalizing the Survey of the Afghan People 2016-2021	Afghanistan	31962	(12,652)
Tourism Website for Ministry of Tourism of Dili	Timor - Leste		<u>23,771</u>
Total Multiple Funders			446,464
New Zealand Agency of International Development-			
Forensics and Terrorism Post Blast Crime Scene Investigation Training - Southern Thailand	Thailand		50,311
Tourism Development Activity (aka Tourism Action Plan)	Timor - Leste	CT File: GRA-1064-1	<u>25,306</u>
Total New Zealand Agency of International Development			75,617
New Zealand Embassy-			
Hametin Koperasaun Hamutuk Polisia ho Komunitade (HAKOHAK)	Timor - Leste	GRA-560-4	372,363
Timor - Leste Community Policing Support Programme (CPSP)	Timor - Leste	CT File: GRA-560-5	<u>946,929</u>
Total New Zealand Embassy			1,319,292
Niti Foundation-			
MaRPEG - Managing Resource Based Disputes for Peace-Building and Economics Growth	Nepal		<u>12,205</u>
Total Niti Foundation			12,205
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>26,876</u>
Total NOW-WOTRO - Netherlands Organization for Scientific Research			26,876
Overseas Development Institute-			
Economic Dialogue on Inclusive Growth in Bangladesh	Bangladesh		<u>117,485</u>
Total Overseas Development Institute			117,485
Palladium Group-			
Mobile Banking - Financial Inclusion and Economic Empowerment for Low Income Population and Women in Vietnam	Vietnam		<u>186,590</u>
Total Palladium Group			186,590
Royal Danish Embassy-			
Ring-Fencing Women's Rights: Ensuring the Constitutional Rights of Women	Indonesia		170,793
Mapping out Women's Civic Space in Aceh	Indonesia		5,447
Promoting an Inclusive Democracy	Indonesia		<u>73</u>
Total Royal Danish Embassy			176,313

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, 2017**

<u>Nonfederal Grantor/Program Title</u>	<u>Country</u>	<u>Award Number</u>	<u>Expenditures</u>
Other Governments Awards (Continued):			
Royal Netherlands Embassy-			
Enhancing Protection and Respect for Religious Freedom and Human Rights (PROSPECT)	Indonesia	24669	(4,756)
Support for Non-State Justice Providers and Advocates for Peace in Afghanistan	Afghanistan	Activity No. 27284	1,266,551
Strengthening Institutional Response to Child Abuse by Parents and Caregivers in China	China	PEK-PAP-2015/042	<u>248,015</u>
Total Royal Netherlands Embassy			1,509,810
Scope Global Pty Ltd-			
Situational Analysis for the IG Program: Sri Lanka	Sri Lanka	AN10459	<u>26,369</u>
Total Scope Global Pty Ltd			26,369
Swiss Agency for Development and Cooperation-			
Engaging Stakeholders for the Environmental Conservation - Phase II (ESEC II)	Mongolia	81018776	(4,604)
Mandate for Implementing Component 2 of GDP: Urban Governance	Mongolia	81034716	467,188
Myanmar Strategic Support Program	Myanmar	81043002	<u>264,984</u>
Total Swiss Agency for Development and Cooperation			727,568
The Danish Ministry of Foreign Affairs-			
Enhancing State and Society Commitment to Human Rights in Indonesia	Indonesia		<u>1,085,368</u>
Total The Danish Ministry of Foreign Affairs			<u>1,085,368</u>
Total Other Governments Awards			<u>45,531,495</u>
Total Multilateral and Bilateral Awards			<u>\$ 47,351,765</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.