



Financial Statements

For the Years Ended September 30, 2018 and 2017

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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, 2018 and 2017, 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, 2018 and 2017, 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 22 and 23 and the schedule of expenditures of nonfederal bilateral and multilateral awards on pages 24 through 29 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 27, 2019, 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 P.S.

Certified Public Accountants
January 27, 2019

THE ASIA FOUNDATION

**Statements of Financial Position
September 30, 2018 and 2017
(In Thousands)**

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 25,670	\$ 21,002
Accounts receivable, net	11,309	10,403
Pledges receivable, net	1,009	1,267
Books for Asia inventory	8,177	8,509
Prepaid expenses and other assets	2,933	2,716
Investments	14,774	14,423
Property and equipment, net	1,691	1,656
Total Assets	<u>\$ 65,563</u>	<u>\$ 59,976</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 7,725	\$ 6,612
Deferred support	24,345	20,289
Accrued post-retirement benefit obligation	558	683
Total Liabilities	32,628	27,584
Net Assets:		
Unrestricted	18,337	17,622
Temporarily restricted	11,626	11,798
Permanently restricted	2,972	2,972
Total Net Assets	<u>32,935</u>	<u>32,392</u>
Total Liabilities and Net Assets	<u>\$ 65,563</u>	<u>\$ 59,976</u>

See accompanying notes.

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**Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2018
(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	\$ 90,111	\$ -	\$ -	\$ 90,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,111
Foundations, corporations and individuals	4,690			4,690	698			698		5,388
Books for Asia program						10,108		10,108		10,108
Net assets released from restriction and reclassifications	670	10,440		11,110	(597)	(10,440)	(73)	(11,110)		
Total support	95,471	10,440		105,911	101	(332)	(73)	(304)		105,607
Revenue-										
Investment return and other	164		608	772			132	132		904
Total Support and Revenue	95,635	10,440	608	106,683	101	(332)	59	(172)		106,511
Expenses:										
Program, grants and related services	82,910			82,910						82,910
Books for Asia distribution		10,440		10,440						10,440
Supporting services-										
Administration and general	11,834			11,834						11,834
Fundraising	784			784						784
Total Expenses	95,528	10,440		105,968						105,968
Change in Net Assets	107		608	715	101	(332)	59	(172)		543
Net assets, beginning of year	5,571		12,051	17,622	2,315	8,519	964	11,798	2,972	32,392
Net Assets, End of Year	\$ 5,678	\$ -	\$ 12,659	\$ 18,337	\$ 2,416	\$ 8,187	\$ 1,023	\$ 11,626	\$ 2,972	\$ 32,935

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

Statements of Cash Flows
For the Years Ended September 30, 2018 and 2017
(In Thousands)

	2018	2017
Cash Flows From Operating Activities:		
Change in net assets	\$ 543	\$ 3,781
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities-		
Noncash activity included in change in net assets:		
Depreciation and amortization	470	568
Realized and unrealized gain on investments	(245)	(1,041)
Loss on disposal of property and equipment	3	80
Accrued post-retirement benefit obligation	(125)	(138)
Gifts-in-kind contributions for Books for Asia program	(10,108)	(10,183)
Distribution of books for Books for Asia program	10,440	8,655
Contributions to endowment		(1,017)
Changes in assets and liabilities:		
Accounts receivable	(906)	705
Pledges receivable	258	50
Prepaid expenses and other assets	(217)	(189)
Accounts payable and accrued expenses	1,007	502
Deferred support	4,056	(5,494)
Net Cash Provided (Used) by Operating Activities	5,176	(3,721)
Cash Flows From Investing Activities:		
Proceeds from the sale of investments	2,113	10,046
Purchases of investments	(2,219)	(10,929)
Proceeds from the sale of property and equipment	32	12
Purchases of property and equipment	(434)	(280)
Net Cash Used by Investing Activities	(508)	(1,151)
Cash Flows From Financing Activities:		
Proceeds from contributions to endowment		1,017
Net Cash Provided by Financing Activities		1,017
Net Change in Cash and Cash Equivalents	4,668	(3,855)
Cash and cash equivalents, beginning of year	21,002	24,857
Cash and Cash Equivalents, End of Year	\$ 25,670	\$ 21,002
Supplementary Disclosure of Cash Flow Information:		
Property and equipment purchases included in accounts payable	\$ 53	\$ -

See accompanying notes.

THE ASIA FOUNDATION

Notes to Financial Statements

For the Years Ended September 30, 2018 and 2017

(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). The Foundation has presented an unclassified statement of financial position which sequences assets according to their nearness of conversion to cash and sequences liabilities according to the nearness of their maturity and resulting use of cash.

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.

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Notes to Financial Statements For the Years Ended September 30, 2018 and 2017 (Amounts are Reported in Thousands)

Note 2 - Continued

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.

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, 2018 and 2017.

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	
	2018	2017
Donated books	\$ 10,014	\$ 10,094
Donated shipping services	94	89
Other donated goods and services		3
Total Gifts-in-Kind Support	\$ 10,108	\$ 10,186

For the year ended September 30, 2018, approximately 73% of gifts-in-kind revenue was from three donors. For the year ended September 30, 2017, approximately 92% of gifts-in-kind revenue was from two donors.

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Notes to Financial Statements

For the Years Ended September 30, 2018 and 2017

(Amounts are Reported in Thousands)

Note 2 - Continued

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 for which quoted 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.

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.

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. As such, revenue recognized for awards from the U.S. Government and certain nongovernmental organizations may not reflect the full amount awarded.

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.

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Notes to Financial Statements For the Years Ended September 30, 2018 and 2017 (Amounts are Reported in Thousands)

Note 2 - Continued

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 Foundation operates in a number of foreign countries. As of September 30, 2018 and 2017, the Foundation held approximately \$3,389 and \$3,192 in foreign countries, of which \$1,324 and \$1,920 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.

Receivables for awards and contracts from the U.S. Government represented 53% and 60% of the Foundation's total accounts receivable at September 30, 2018 and 2017, respectively. Revenue from awards and contracts from the U.S. Government provided 44% and 45% of the Foundation's total support for the years ended September 30, 2018 and 2017, respectively.

Included in the total receivables and revenue from the U.S. Government is an annually approved appropriation from the U.S. Congress. The receivable related to this appropriation represented 17% and 21% of the Foundation's total accounts receivable at September 30, 2018 and 2017, respectively. Revenue from this Congressional appropriation provided 18% and 17% of the Foundation's total support for the years ended September 30, 2018 and 2017, respectively.

Receivables for awards from one multilateral development agency represented 23% of the Foundation's total accounts receivable at September 30, 2018. Revenue from awards from two multilateral development agencies provided 34% of the Foundation's total support for the year ended September 30, 2018. Revenue from awards from two multilateral development agencies provided 34% of the Foundation's total support for the year ended September 30, 2017.

Approximately 44% of pledges receivable was due from three donors at September 30, 2018, and approximately 66% of pledges receivable was due from five donors at September 30, 2017.

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 losses totaled \$34 and \$15 for the years ended September 30, 2018 and 2017, respectively.

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Notes to Financial Statements For the Years Ended September 30, 2018 and 2017 (Amounts are Reported in Thousands)

Note 2 - Continued

Special Events - Special events held during the year ended September 30, 2018 resulted in gross receipts of approximately \$1,026, which are included in support from foundations, corporations and individuals on the statements of activities and changes in net assets. Estimated expenses for direct donor benefits from special events totaled \$108 during the year ended September 30, 2018 and are included in fundraising expense on the statements of activities and changes in net assets.

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 27, 2019, 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, 2018 and 2017.

Program receivables were as follows at September 30:

	In Thousands	
	2018	2017
Billed	\$ 4,721	\$ 4,612
Unbilled	6,089	5,298
Total Program Receivables	\$ 10,810	\$ 9,910

Note 4 - Pledges Receivable

Pledges receivable were due as follows at September 30:

	In Thousands	
	2018	2017
Pledges due in less than one year	\$ 706	\$ 639
Pledges due in two to five years	329	666
	1,035	1,305
Less present value discount (1.74% - 3.6%)	(26)	(38)
Total Pledges Receivable	\$ 1,009	\$ 1,267

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Notes to Financial Statements For the Years Ended September 30, 2018 and 2017 (Amounts are Reported in Thousands)

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.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis. There have been no changes in the methodologies used at September 30, 2018 and 2017.

Mutual 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.

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, 2018 and 2017
(Amounts are Reported in Thousands)**

Note 5 - Continued

Investments recorded at fair value on a recurring basis were as follows at September 30, 2018:

	In Thousands			
	Level 1	Level 2	Level 3	Total
Mutual funds-				
Equity - large cap U.S.	\$ 3,151	\$ -	\$ -	\$ 3,151
Equity - small/mid cap U.S.	657			657
Equity - international	2,949			2,949
Tactical	698			698
Blended	1,419			1,419
Diversified	608			608
Commodity	344			344
Energy/natural resources	327			327
Fixed income	2,751			2,751
Fixed income - global	1,027			1,027
Total mutual funds	13,931			13,931
Equity securities-				
Technology	159			159
Energy	24			24
Consumer cyclical	196			196
Basic materials	14			14
Industrials	106			106
Communication services	6			6
Healthcare	94			94
Real estate	13			13
Financial services	67			67
Total equity securities	679			679
Beneficial interest in charitable remainder trust			164	164
Total Investments at Fair Value on a Recurring Basis	\$ 14,610	\$ -	\$ 164	\$ 14,774

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Notes to Financial Statements
For the Years Ended September 30, 2018 and 2017
(Amounts are Reported in Thousands)

Note 5 - Continued

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

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, 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
Change in value of beneficial interest in trust			14	14
Total Level 3 Investments, September 30, 2018	\$ -	\$ -	\$ 164	\$ 164

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Notes to Financial Statements For the Years Ended September 30, 2018 and 2017 (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	
	2018	2017
Interest and dividends	\$ 495	\$ 331
Realized and unrealized gains	245	1,041
Investment management fees	(69)	(51)
Investment Return, Net	\$ 671	\$ 1,321

Note 6 - Property and Equipment

Property and equipment consisted of the following at September 30:

	In Thousands	
	2018	2017
Furniture and equipment	\$ 2,328	\$ 2,505
Leasehold improvements	2,263	2,049
Automobiles	1,501	1,417
Capitalized software	823	823
	6,915	6,794
Less accumulated depreciation and amortization	(5,224)	(5,138)
Property and Equipment, Net	\$ 1,691	\$ 1,656

As of September 30, 2018 and 2017, \$130 and \$78, 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 \$1,164 and \$1,287 for the years ended September 30, 2018 and 2017, 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 \$713 and \$718 for the years ended September 30, 2018 and 2017, respectively.

THE ASIA FOUNDATION

**Notes to Financial Statements
For the Years Ended September 30, 2018 and 2017
(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	
	2018	2017
Change in benefit obligation-		
Accumulated benefit obligation, beginning of year	\$ 367	\$ 462
Net periodic cost - interest	(42)	(32)
Benefits paid	(47)	(45)
Adjustment to unrestricted net assets	20	(18)
Accumulated benefit obligation, end of year	298	367
Change in plan assets-		
Fair value of plan assets, beginning of year		
Employer contributions	47	45
Benefits and expenses paid	(47)	(45)
Fair value of plan assets, end of year		
Accumulated Accrued Pension Liability, End of Year	\$ 298	\$ 367

Unrecognized net gain, included as a deduction from unrestricted net assets, for the years ended September 30, 2018 and 2017, totaled \$361 and \$382, 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:

	2018	2017
Medical cost trends for-		
Medical benefits	6.0%	6.5%
Prescription drug coverage	7.0%	8.0%
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	3.83%	2.91%

THE ASIA FOUNDATION

**Notes to Financial Statements
For the Years Ended September 30, 2018 and 2017
(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>
2019	\$ 42
2020	40
2021	37
2022	34
2023	31
Succeeding 5 years	111

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 \$260 and \$316 at September 30, 2018 and 2017, respectively.

Note 8 - Unrestricted Net Assets

Unrestricted net assets consisted of the following at September 30:

	<u>In Thousands</u>	
	<u>2018</u>	<u>2017</u>
Undesignated	\$ 5,294	\$ 5,121
Board designated for long-term investment	13,008	12,466
Board designated for Indonesia operations	35	35
Total Unrestricted Net Assets	<u>\$ 18,337</u>	<u>\$ 17,622</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>2018</u>	<u>2017</u>
Books for Asia	\$ 8,187	\$ 8,519
Restricted purpose projects	2,307	2,205
Programs and scholarships	968	924
Beneficial interest in remainder trust	164	150
Total Temporarily Restricted Net Assets	<u>\$ 11,626</u>	<u>\$ 11,798</u>

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2018 and 2017 (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	
	2018	2017
Books for Asia	\$ 10,440	\$ 8,655
Restricted purpose projects	597	809
Programs and scholarships	73	80
Total Temporarily Restricted Net Assets Released	\$ 11,110	\$ 9,544

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, 2018 and 2017
(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, 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
Endowment investment return-			
Interest and dividends	88		88
Realized and unrealized gains	29		29
Total endowment investment return	117		117
Appropriation of endowment for expenditure	(73)		(73)
Endowment Net Assets, September 30, 2018	\$ 968	\$ 2,972	\$ 3,940

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, 2018 and 2017, 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 5.50%. Actual returns in any given year may vary from this amount.

THE ASIA FOUNDATION

Notes to Financial Statements

For the Years Ended September 30, 2018 and 2017

(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 5.50%. 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 - 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>
2019	\$ 1,190
2020	1,170
2021	980
2022	943
2023	<u>449</u>
Total	<u>\$ 4,732</u>

Rental expense totaled \$2,732 and \$2,597 for the years ended September 30, 2018 and 2017, 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 \$2,840 and \$2,655 at September 30, 2018 and 2017, 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.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2018 and 2017 (Amounts are Reported in Thousands)

Note 11 - Continued

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 \$18,880 and \$13,540 as of September 30, 2018 and 2017, respectively.

Note 12 - Related Party Transactions

Contributions received from the Foundation's Board of Trustees totaled \$1,063 and \$1,989 for the years ended September 30, 2018 and 2017, respectively.

SUPPLEMENTARY INFORMATION

THE ASIA FOUNDATION

**Schedule of Functional Expenses
For the Year Ended September 30, 2018
(In Thousands)**

	Program Grants and Related Services	Supporting Services		Total
		Administration and General	Fundraising	
Program grants and subcontracts	\$ 31,794	\$ -	\$ -	\$ 31,794
Staff salaries	14,447	5,227	190	19,864
Non-staff salaries	9,136			9,136
Payroll taxes and employee benefits	10,458	2,921	83	13,462
Office rent and utilities	2,939	663	21	3,623
Travel	5,455	573	39	6,067
Professional fees	363	1,156	144	1,663
Employee housing	1,441	59		1,500
Personnel - moving expenses	399			399
Communications and supplies	1,437	311	17	1,765
Equipment expenses	1,298	214	28	1,540
General insurance	223	105		328
Conferences, training and other	3,487	549	229	4,265
Foreign currency exchange	33	1		34
Public relations		55		55
	82,910	11,834	751	95,495
Books for Asia book distribution	10,440			10,440
Other in-kind			33	33
Total Expenses	\$ 93,350	\$ 11,834	\$ 784	\$ 105,968

See independent auditor's report.

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
	<u>83,568</u>	<u>11,645</u>	<u>418</u>	<u>95,631</u>
Books for Asia book distribution	8,655			8,655
Other in-kind	97			97
Total Expenses	<u>\$ 92,320</u>	<u>\$ 11,645</u>	<u>\$ 418</u>	<u>\$ 104,383</u>

See independent auditor's report.

THE ASIA FOUNDATION

Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards For the Year Ended September 30, 2018

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Multilateral Awards:			
AREP VILLE-			
Consulting Services for Delivering Two Training Sessions on Cities Resilience in Vietnam	Vietnam	World Bank Contract #7187775	\$ 3,000
Total AREP VILLE			3,000
Asian Development Bank-			
Social Accountability Research Project	Cambodia	RETA 8595 ADB-TAF	1,923
Strengthening Women's Resilience to Climate Change and Disaster Risk in Asia and Pacific	Mongolia	137085-S53164; TA-9348	91,340
Total Asian Development Bank			93,263
Centre for Peace & Conflict Studies-			
Foundations for Future Peace in Southern Thailand	Thailand	EU Contract #ICSP/2017/390-495	233,230
Total Centre for Peace & Conflict Studies			233,230
Dalberg Development Advisors Private Limited-			
Study on Women Migrants Workers in Southeast Asia	Nepal		4,443
Total Dalberg Development Advisors Private Limited			4,443
European Commission-			
Promoting Regional Cooperation Capacity in Ministry of Foreign Affairs (PRCC-MoFA)	Afghanistan	DCI-ASIE/2013/334286	12,390
Enabling Better Access to Justice for Domestic Violence Victims Through Strengthened Implementation of the Anti-Domestic Violence Law in China	China	EIDHR/2017/393-928	109,354
Total European Commission			121,744
European Union-			
Support for Peacebuilding in Southern Thailand	Thailand	ICSP/2015/371-700	43,050
Improving Government Accountability Through Social Auditing	Timor - Leste	CSO-LA/2016/375-900	696,461
Justice Sector Responsibility and Accountability to Redress SGBV	Sri Lanka	EIDHR/2017/389-234	183,132
Promoting Regional Cooperation Capacity in MoFA (PRCC-MoFA0 Project - Phase II)	Afghanistan	ACA/2017/386-784	102,057
Total European Union			1,024,700
International Labour Office-			
Skills for Employment Programme	Nepal	001-2018 (OFC No. 5558459/3599)	245,885
Sunaulo Mauka - Enhancing Livelihoods Through Mobile and Online Solutions	Nepal	40230872/0	32,767
Total International Labour Office			278,652
Information Society Innovation Fund Asia-			
My Community Reader: A Mobile-First Distributed Translation Tool and Reader for Ethnic Minority Languages	Thailand		2,238
Total Information Society Innovation Fund Asia			2,238
Ministry of Justice AG-			
Building a Sustainable, Affordable and Accessible Legal Aid System in Afghanistan	Afghanistan	TF-012533	23,921
Total Ministry of Justice AG			23,921
NDLA-			
Translation, Review and Editing Services for Titles in Bangla and Khmer for the GDL Initiative Including Conducting a Khmer Translation Workshop in CB	Books for Asia		11,187
Translation, Review and Editing Services for Titles in Bangla and Khmer for the GDL Initiative Including Conducting a Khmer Translation Workshop in CB	Books for Asia		28,916
Total NDLA			40,103
The World Bank-			
Peace and Conflict Study in Myanmar	Myanmar	7178582	14,427
Diagnostic Study on Local Government Institutions and Finances	Sri Lanka	7184661	47,381
Total The World Bank			61,808
United Nations Environment Programme-			
Chemicals and Waste	Mongolia	P1-33JCL-000031	93,314
Delivering Integrated Waste Solutions at the National and Local Level	Mongolia	M1-32CPL-000359	21,047
Total United Nations Environment Programme			114,361
United Nations Development Programme-			
Partnership for a Tolerant Inclusive Bangladesh (PTIB)	Bangladesh	00093612	6,230
Total United Nations Development Programme			6,230
United Nations Children's Fund-			
Protection of Vulnerable Children Against Online Sex Exploitation	Philippines		6,341
Total United Nations Children's Fund			6,341
Total Multilateral Awards			2,014,034

See independent auditor's report.

THE ASIA FOUNDATION

**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2018**

<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>859,311</u>
Total Abt JTA			859,311
Australian Centre for International Agricultural Research-			
Analysis of Cross Border Agricultural Trade Bangladesh, India and Nepal	India	C000272	<u>33,280</u>
Total Australian Centre for International Agricultural Research			33,280
Aecom Services PTY LTD-			
Township Development Indicators (TDI) Database	Myanmar	ADA 003	<u>119,582</u>
Total Aecom Services PTY LTD			119,582
Australian Department of Foreign Affairs and Trade (AusDFAT, formerly AusAID)-			
AusDFAT The Asia Foundation Partnership in Philippines	Philippines	60149	4,411,670
Strengthened Access to Justice for Women Affected by Violence in Afghanistan	Afghanistan	66993	92,377
Non-Government Organisation Funding to Support Good Public Policy in Public Administration and Public Financial Management in Timor - Leste	Timor - Leste	61971	(8,244)
Supporting Business Associations for Dynamic and Inclusive Growth (Vietnam)	Vietnam	69124	(1,897)
PNPM Phase II: National Program for Community Empowerment	Indonesia	70009	5,631,142
Ending Violence Against Women in Timor - Leste	Timor - Leste	69943	2,169,052
Mediating Local Conflict and Reducing Vulnerability Post-Earthquake Recovery in Nepal	Nepal	71662	174,970
Myanmar Strategic Support Program	Myanmar	71716	385,897
Sri Lanka Northern Provincial Council Capacity Building Program	Sri Lanka	71811	42,107
Sri Lanka Sub National Governance Project	Sri Lanka	71894	1,332,005
DFAT-TAF Partnership - Innovations in Development Policy and Practice (the Partnership)	Programs	72580/1	450,192
Institutionalizing the Survey of the Afghan People 2017-2019	Afghanistan	73472	307,856
Research Survey Initiative	Bangladesh	72809	120,884
Sustainable Development Investment Portfolio Phase 2 (SDIP Phase 2)	India	72580/3	358,786
Strategic Partnership on Subnational Governance in Nepal	Nepal	72580/4	3,709,690
Public Perception Research on Countering Violent Extremism	Program Specialists Group -		
	TH	72580/5	73,062
Strengthening Civil Society in Solomon Islands	Programs	72580/6	(3,155)
Cohesion, Advocacy, Resilience and Expansive Engagement (CARE) for Peace in the Philippines	Philippines	73672	853,701
APEC CONNECT - Empowering Local Agricultural Producers with a Global Trading Industry	Vietnam	73994	174,896
Non-Government Organisation Funding to Support Good Public Policy in Public Administration and Public Financial Management in Timor - Leste (Phase II)	Timor-Leste	61971	11,262
Strengthened Access to Justice for Women Affected by Violence Through Proven Culturally Sensitive Approaches 2 (AZJ-II)	Afghanistan	74074	812,208
ASEAN: Australia Workshop: Future of Digital Transformation among ASEAN MSMEs	Thailand	72580/8	39,389
The ASEAN-Australia Cyber Workshop and Training in Bangkok	Thailand	72580/9	21,581
Engagement of a Performance Management Adviser for DFAT's Ending Violence Against Women Program in Afghanistan	Afghanistan	74151	67,571
Adhika Para sa Katarungan	Philippines	72580/11	162,699
Expand Youth Knowledge, Advance Community-Law Enforcement Network and Fostering Regional Civil Society Cooperation to Counter Violence and Extremism (CVE) in the Border Regions of Sabah	Malaysia	72580/10	24,810
Gender-Sensitive Corporate Responsibilities Among Chinese Textile Investors in Cambodia	China	72580/12	10,638
ASEAN: Australia Strategic Partnership: ACTIP Implementation	Thailand	72580/13	92,931
Coalitions for Change Program Phase 2	Philippines	74632	650,187
Technical Cyber Security and Incident and Network Management Training	Program Specialists Group -	72580/14	
	SF		<u>431,154</u>
Total Australian Department of Foreign Affairs and Trade (AusDFAT, formerly AusAID)			22,599,421

THE ASIA FOUNDATION

Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2018

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Other Governments Awards (Continued):			
Australian High Commission- Engaging Youth and Community Leaders to Counter Violence and Extremism in the Border Regions of Sabah	Malaysia	D14/1893967	16,440
Total Australian High Commission			16,440
British Embassy- Institutionalizing the Survey of the Afghan People 2016-2021	Afghanistan	300041	404,612
Supporting the Improvement of the Judicial Process in Second Level Courts in the Philippines	Philippines		(718)
Streamlining Processes in Regional Trial Courts in the Philippines Towards a More Effective and Efficient Judicial System	Philippines		26,214
Total British Embassy			430,108
Canadian DFATD- STEPS: Strengthening Democratic Participation and Transparency in the Public Service Sector in Mongolia	Mongolia	PO 7062071	489,963
Evidence-Based Communications Planning for the Bangsamoro Peace Process	Philippines	PSOP 16-105	7,527
Total Canadian DFATD			497,490
CARDNO- AIPJ 2 - Strengthening Prison Reform in Indonesian (Prison Reform Phase IV) Emerging Leaders for Public Policy in Timor - Leste Project (LEAP Project)	Indonesia Timor - Leste	AC46900/AIPJ2/TAF/GN ACN 006-170-869	666,972 44,629
Total CARDNO			711,601
Coffey International Development- Laos Australia National Scholarships (LANS) Academic Support Program (ASP) Curriculum Review and Teacher Training	Laos		29,506
Total Coffey International Development			29,506
Department for International Development (DFID)- Myanmar Strategic Support Program	Myanmar	203996-107	923,825
Improving Governance and Civil Society Engagement to Prevent Deforestation and Land Degradation (SETAPAK II)	Indonesia	204623-101	6,428,281
South Asia Water Governance Programme (SAWGP)	India	PO 7159	857,800
NSGI Kyrgyzstan	Evaluation and Learning - TH	40101952	8,242
Data Development in Nepal	Nepal	203385-103	427,066
Strengthening and Promoting Active Citizenship in Bangladesh (SPACB)	Bangladesh	203487-106	626,620
Economic Growth, Infrastructure, and the Environment: Finding the Balance	Indonesia	300185-102	298,253
Researching Border Conflicts Through Local Networks To Provide Conflict Sensitivity Support to Improve Development Impacts in Burma	Program Specialists - TH Myanmar	300100 204661-104	289,291 40,348
Total Department for International Development (DFID)			9,899,726
Deutsche Gesellschaft fur Internationale Zusammenarbeit- Booster Sample in 19 Districts in Northern Afghanistan	Afghanistan	81205540	1,001
Cofinancing Survey of the Afghan People 2017	Afghanistan	81213630	77,940
GIZ - North Booster Survey 2018	Afghanistan	81227216	99,945
Bridging the Gap Between Informal and Formal Justice	Afghanistan	81228295	40,692
Total Deutsche Gesellschaft fur Internationale Zusammenarbeit			219,578
Development Alternatives- Growth With Equity in Myanmar Programme (GEM)	Myanmar		444,622
Total Development Alternatives			444,622
Foreign & Commonwealth Office- Inter-Faith and Inter-Communal Dialogue in High Risk Areas in Sri Lanka	Sri Lanka	CPG/1323/2016	199,576
Investing to Community Security; Associated With Framework Agreement	Myanmar	CPG/1265/2016	747,581
CCSF: Support for Sri Lankan Police Reform	Sri Lanka	CPG/1752/2017	439,899
Strengthening the Autonomy of the Lao National Assembly Through the Institute of Legislative Studies Phase 2	Laos		38,986
Strengthening Safeguarding and Child Protection Mechanisms in Anti-Trafficking in Persons Law Enforcement	Philippines		354
National Assembly Institute Legislative Studies: Phase 3	Laos		7,944
Total Foreign & Commonwealth Office			1,434,340

See independent auditor's report.

THE ASIA FOUNDATION

Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2018

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Other Governments Awards (Continued):			
German Embassy- Enabling Environment for Minorities to Participate in Electoral and Political Processes	Pakistan	S03-381-50-P-59/17	242,714
Total German Embassy			242,714
Global Affairs Canada- Deliberative Democracy for Citizens of Ulaanbaatar	Mongolia	PO 7063388	(2,935)
Total Global Affairs Canada			(2,935)
Governance Facility- Advanced Technical Assistance to Improve GESI Sensitive Community Mediation Policy and Practice in Nepal (ICOMP)	Nepal	GF-KTM/A2J/Agreement	305,680
Total Governance Facility			305,680
International Development Enterprises- Women's Economic Empowerment Through Strengthening Market Systems	Bangladesh	SIDA ID 52170023	439,218
Total International Development Enterprises			439,218
International Development Research- Monitoring Subnational Violence in Asia	Program Specialists Group - TH	108239-001	303,962
Total International Development Research			303,962
International Labour Office- Promoting Decent Work Through Good Governance, Protection and Empowerment of Migrant Workers in Sri Lanka	Sri Lanka		222
Total International Labour Office			222
Irish AID- Developing a Sustainable Civil Society Sector in Vietnam	Vietnam	VCSF.2013.05	6,233
Total Irish AID			6,233
Korea Development Institute- International Development Cooperation Capacity Building 2017 South-South Development Cooperation Dialogue: Lessons for Development Effectiveness (Year 7)	Korea, South	Year 8	169,161
KDI School 2017-2018 Internship Program	Korea, South		70,006
International Development Cooperation Capacity Building Program 2018	Korea, South		29,769
Contemporary Economic and Social Policy for Inclusive Growth	Korea, South		132,194
Asian Approaches to Development Cooperation: Supporting Conflict Prevention and Peacebuilding	Korea, South		35,686
Total Korea Development Institute			74,162
Total Korea Development Institute			510,978
Korea International Development Corporation Centre- ODA Project Implementing Organization Youth Internship	Korea, South		22,944
Total Korea International Development Corporation Centre			22,944
Korea International Cooperation Agency- Women's Business Center and Incubator (WBC)	Mongolia		342,123
Making Cities Safe for Women in India (KOICA's Innovative Partnership Solution (IPS) Program)	India		140,332
Total Korea International Cooperation Agency			482,455
Ministry of Rural Rehabilitation and Development, Afghanistan (MRRD)- ODA Project Implementing Organization Youth Internship	Afghanistan	ATRF TFA03827 IDA D1390-AF	60,546
Total Ministry of Rural Rehabilitation and Development, Afghanistan (MRRD)			60,546

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**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2018**

<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	25,840
Institutionalizing the Survey of the Afghan People 2016-2021	Afghanistan	CR 31959 31960 31961 31962	<u>33,140</u>
Total Multiple Funders			58,980
New Zealand Agency of International Development-			
Forensics and Terrorism Post Blast Crime Scene Investigation Training - Southern Thailand	Thailand		3,361
Tourism Development Activity (aka Tourism Action Plan)	Timor - Leste	CT File: GRA-1064-1	209,037
Southern Thailand Post-Blast Crime Scene Investigation Course	Thailand		<u>35,568</u>
Total New Zealand Agency of International Development			247,966
New Zealand Embassy-			
Hametin Koperasaun Hamutuk Polisia ho Komunitade (HAKOHAK)	Timor - Leste	GRA-560-4	(826)
Timor - Leste Community Policing Support Programme (CPSP)	Timor - Leste	CT File: GRA-560-5	1,502,559
New Zealand Small Grant 2017/2018 - Tourism Symposia	Timor - Leste	NZ Small Grant 2017/2018	15,299
Global Security Fund Project: Study on CVE and Social Media in the Philippines	Philippines		<u>69,246</u>
Total New Zealand Embassy			1,586,278
New Zealand Ministry of Foreign Affairs-			
Technical Cyber Security and Incident and Network Management Training	Program Specialists - SF	Under NZ APEC 2018 Fund	6,407
Timor-Leste Tourism Development	Timor - Leste	WPG-0101063; A12629	<u>5,136</u>
Total New Zealand Ministry of Foreign Affairs			11,543
Niti Foundation-			
MaRPEG - Managing Resource Based Disputes for Peace-Building and Economics Growth	Nepal		<u>15,657</u>
Total Niti Foundation			15,657
Overseas Development Institute-			
Economic Dialogue on Inclusive Growth in Bangladesh	Bangladesh		<u>35,865</u>
Total Overseas Development Institute			35,865
Palladium Group-			
Mobile Banking - Financial Inclusion and Economic Empowerment for Low Income Population and Women in Vietnam	Vietnam		187,902
Job Information and Recruitment Services in Cambodia	Cambodia	Service Order 1 of Deed 65670	57,467
FOKA BA FUTURU - Film the Future of FTF	Timor - Leste		<u>2,725</u>
Total Palladium Group			248,094
Royal Danish Embassy-			
Ring-Fencing Women's Rights: Ensuring the Constitutional Rights of Women	Indonesia		273,375
Promoting an Inclusive Democracy	Indonesia		<u>360,075</u>
Total Royal Danish Embassy			633,450

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THE ASIA FOUNDATION

**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2018**

<u>Nonfederal Grantor/Program Title</u>	<u>Country</u>	<u>Award Number</u>	<u>Expenditures</u>
Other Governments Awards (Continued):			
Royal Netherlands Embassy-			
Support for Non-State Justice Providers and Advocates for Peace in Afghanistan	Afghanistan	Activity No. 27284	664,486
Strengthening Institutional Response to Child Abuse by Parents and Caregivers in China	China	PEK-PAP-2015/042	180
Engaging Employers to Address Domestic Violence in China	China	400001426	69,998
Total Royal Netherlands Embassy			734,664
Scope Global Pty Ltd-			
Situational Analysis for the IG Program: Sri Lanka	Sri Lanka	AN10459	85
Total Scope Global Pty Ltd			85
Swiss Agency for Development and Cooperation-			
Strengthening and Promoting Active Citizenship in Bangladesh Under the Election Support	Bangladesh	81056092	6,351
Mandate for Implementing Component 2 of GDP: Urban Governance	Mongolia	81034716	695,280
Myanmar Strategic Support Program	Myanmar	81043002	953,690
Total Swiss Agency for Development and Cooperation			1,655,321
The Danish Ministry of Foreign Affairs-			
Enhancing State and Society Commitment to Human Rights in Indonesia	Indonesia		854,419
Total The Danish Ministry of Foreign Affairs			854,419
Total Other Governments Awards			45,749,344
Total Multilateral and Bilateral Awards			\$ 47,763,378

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.