



Financial Statements

For the Years Ended September 30, 2019 and 2018

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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, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses 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, 2019 and 2018, 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.

Effect of Adopting New Accounting Standard

As discussed in Note 2, the Foundation adopted the Financial Accounting Standards Board's Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended September 30, 2019. Our opinion is not modified with respect to this matter.

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 schedule of expenditures of nonfederal bilateral and multilateral awards on pages 25 through 30 is presented for purposes of additional analysis 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 23, 2020, 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 23, 2020

THE ASIA FOUNDATION

**Statements of Financial Position
September 30, 2019 and 2018
(In Thousands)**

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 23,822	\$ 25,670
Accounts receivable, net	17,276	11,309
Pledges receivable, net	683	1,009
Books for Asia inventory	8,411	8,177
Prepaid expenses and other assets	2,831	2,933
Investments	14,542	14,774
Property and equipment, net	<u>1,553</u>	<u>1,691</u>
Total Assets	<u>\$ 69,118</u>	<u>\$ 65,563</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 10,245	\$ 7,725
Deferred support	25,721	24,345
Accrued post-retirement benefit obligation	<u>525</u>	<u>558</u>
Total Liabilities	36,491	32,628
Net Assets:		
Without donor restrictions	17,491	18,337
With donor restrictions	<u>15,136</u>	<u>14,598</u>
Total Net Assets	<u>32,627</u>	<u>32,935</u>
Total Liabilities and Net Assets	<u>\$ 69,118</u>	<u>\$ 65,563</u>

See accompanying notes.

THE ASIA FOUNDATION

**Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2019
(In Thousands)**

	Without Donor Restrictions				With Donor Restrictions					Total
	Operations	Books for Asia	Investments	Total	Operations	Books for Asia	Investments	Restricted in Perpetuity	Total	
Support and Revenue:										
Support-										
Government, bilateral and multilateral institutions Foundations, corporations and individuals	\$ 91,838	\$ -	\$ -	\$ 91,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,838
Books for Asia program	4,928			4,928	319	7,543			319	5,247
Net assets released from restriction and reclassifications	89	7,308		7,397	(69)	(7,308)	(20)		(7,397)	7,543
Total support	96,855	7,308		104,163	250	235	(20)		465	104,628
Revenue-										
Investment return, net and other	252		308	560			73		73	633
Total Support and Revenue	97,107	7,308	308	104,723	250	235	53		538	105,261
Expenses:										
Program, grants and related services	84,875			84,875						84,875
Books for Asia distribution		7,308		7,308						7,308
Supporting services-										
Administration and general	12,495			12,495						12,495
Fundraising	891			891						891
Total Expenses	98,261	7,308		105,569						105,569
Change in Net Assets	(1,154)		308	(846)	250	235	53		538	(308)
Net assets, beginning of year	5,747		12,590	18,337	2,416	8,187	1,023	2,972	14,598	32,935
Net Assets, End of Year	\$ 4,593	\$ -	\$ 12,898	\$ 17,491	\$ 2,666	\$ 8,422	\$ 1,076	\$ 2,972	\$ 15,136	\$ 32,627

See accompanying notes.

THE ASIA FOUNDATION

**Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2018
(In Thousands)**

	Without Donor Restrictions				With Donor Restrictions					Total
	Operations	Books for Asia	Investments	Total	Operations	Books for Asia	Investments	Restricted in Perpetuity	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, net and other	164		539	703			132		132	835
Total Support and Revenue	95,635	10,440	539	106,614	101	(332)	59		(172)	106,442
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	11,765			11,765						11,765
Fundraising	784			784						784
Total Expenses	95,459	10,440		105,899						105,899
Change in Net Assets	176		539	715	101	(332)	59		(172)	543
Net assets, beginning of year	5,571		12,051	17,622	2,315	8,519	964	2,972	14,770	32,392
Net Assets, End of Year	\$ 5,747	\$ -	\$ 12,590	\$ 18,337	\$ 2,416	\$ 8,187	\$ 1,023	\$ 2,972	\$ 14,598	\$ 32,935

See accompanying notes.

THE ASIA FOUNDATION

**Statement of Functional Expenses
For the Year Ended September 30, 2019
(In Thousands)**

	Program Grants and Related Services	Supporting Services		Total
		Administration and General	Fundraising	
Program grants and subcontracts	\$ 31,878	\$ -	\$ -	\$ 31,878
Staff salaries	15,400	5,682	199	21,281
Non-staff salaries	8,668			8,668
Payroll taxes and employee benefits	11,158	3,135	85	14,378
Office rent and utilities	2,789	617	17	3,423
Travel	5,567	520	39	6,126
Professional fees	458	1,044	146	1,648
Employee housing	1,483	35		1,518
Personnel - moving expenses	447			447
Communications and supplies	1,126	306	12	1,444
Equipment expenses	1,196	239	29	1,464
General insurance	198	109		307
Conferences, training and other	4,509	765	246	5,520
Foreign currency exchange	(11)			(11)
Public relations		43		43
	<u>84,866</u>	<u>12,495</u>	<u>773</u>	<u>98,134</u>
Books for Asia book distribution	7,308			7,308
Other in-kind	9		118	127
Total Expenses	<u>\$ 92,183</u>	<u>\$ 12,495</u>	<u>\$ 891</u>	<u>\$ 105,569</u>

See accompanying notes.

THE ASIA FOUNDATION

**Statement 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	1,087	144	1,594
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	11,765	751	95,426
Books for Asia book distribution	10,440			10,440
Other in-kind			33	33
Total Expenses	\$ 93,350	\$ 11,765	\$ 784	\$ 105,899

See accompanying notes.

THE ASIA FOUNDATION

**Statements of Cash Flows
For the Years Ended September 30, 2019 and 2018
(In Thousands)**

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ (308)	\$ 543
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities-		
Noncash activity included in change in net assets:		
Depreciation and amortization	510	470
Realized and unrealized loss (gain) on investments	134	(245)
(Gain) loss on disposal of property and equipment	(1)	3
Accrued post-retirement benefit obligation	(33)	(125)
Gifts-in-kind contributions for Books for Asia program	(7,543)	(10,108)
Distribution of books for Books for Asia program	7,308	10,440
Changes in assets and liabilities:		
Accounts receivable	(5,966)	(906)
Pledges receivable	326	258
Prepaid expenses and other assets	102	(217)
Accounts payable and accrued expenses	2,573	1,007
Deferred support	1,376	4,056
Net Cash (Used) Provided by Operating Activities	(1,522)	5,176
Cash Flows From Investing Activities:		
Proceeds from the sale of investments	5,221	2,113
Purchases of investments	(5,123)	(2,219)
Proceeds from the sale of property and equipment	48	32
Purchases of property and equipment	(472)	(434)
Net Cash Used by Investing Activities	(326)	(508)
Net Change in Cash and Cash Equivalents	(1,848)	4,668
Cash and cash equivalents, beginning of year	25,670	21,002
Cash and Cash Equivalents, End of Year	\$ 23,822	\$ 25,670
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, 2019 and 2018 (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:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - 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. Other donor restrictions are perpetual in nature, where the donor has stipulated that funds be maintained in perpetuity. The investment income from these funds is available for current use.

Support and revenue are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Purpose and time restrictions expire when the donor-stipulated purpose has been fulfilled and/or the donor-stipulated time period has elapsed. Expirations of purpose or time restrictions result in the reclassification of net assets with donor restrictions to net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restrictions.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2019 and 2018 (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, 2019 and 2018.

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.

Other donated goods and services are recognized at fair value on the date received.

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

	In Thousands	
	2019	2018
Donated books	\$ 7,479	\$ 10,014
Donated shipping services	64	94
Other donated goods and services	23	
Total Gifts-in-Kind Support	\$ 7,566	\$ 10,108

For the year ended September 30, 2019, approximately 82% of gifts-in-kind revenue was from three donors. For the year ended September 30, 2018, approximately 73% of gifts-in-kind revenue was from three donors.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2019 and 2018 (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 fund balances with or without donor restrictions 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.

Post-Retirement Benefit Obligation - The post-retirement benefit obligation considers payout patterns as well as investment returns on available assets prior to payment. The discount rate used to value the post-retirement benefit obligation is the risk-adjusted rate commensurate with the duration of anticipated payments. These inputs to the fair value estimate are classified as Level 2 in the fair value hierarchy.

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.

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Notes to Financial Statements For the Years Ended September 30, 2019 and 2018 (Amounts are Reported in Thousands)

Note 2 - Continued

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 Foundation operates in a number of foreign countries. As of September 30, 2019 and 2018, the Foundation held approximately \$2,659 and \$3,334 in foreign countries, of which \$1,205 and \$1,324 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 49% and 53% of the Foundation's total accounts receivable at September 30, 2019 and 2018, respectively. Revenue from awards and contracts from the U.S. Government provided 48% and 44% of the Foundation's total support for the years ended September 30, 2019 and 2018, 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 14% and 17% of the Foundation's total accounts receivable at September 30, 2019 and 2018, respectively. Revenue from this Congressional appropriation provided 18% of the Foundation's total support for the years ended September 30, 2019 and 2018, respectively.

Receivables for awards from one multilateral development agency represented 18% of the Foundation's total accounts receivable at September 30, 2019. Revenue from awards from one multilateral development agency provided 23% of the Foundation's total support for the year ended September 30, 2019. Receivables for awards from one multilateral development agency provided 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.

Approximately 49% and 41% of pledges receivable were due from three donors at September 30, 2019 and 2018, 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. Each organizational unit has a facilities cost pool. This cost pool is allocated to projects in proportion to aggregated time charges by staff assigned to that unit. Where there are multiple organizational units residing in an office location, a central facilities cost pool is utilized to collect costs and distribute to each of the residing unit's facilities cost pool based on each unit's staff count. In addition, program unit administrative expenses are accumulated in a cost pool. This cost pool is allocated in proportion to aggregated time charges by staff in that unit.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2019 and 2018 (Amounts are Reported in Thousands)

Note 2 - Continued

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

Foreign Currency Translation - Substantially all assets and liabilities of the Foundation that are held in foreign currencies are translated to U.S. dollars at year end exchange rates. Revenue, gains and other support, and expenses are translated at the average weekly exchange rates during the year. Gains and losses from foreign currency translation for the year are included in the statements of activities and changes in net assets. Net foreign currency translation gains (losses) totaled \$11 and (\$34), respectively, for the years ended September 30, 2019 and 2018.

Special Events - Special events held during the years ended September 30, 2019 and 2018 resulted in gross receipts of approximately \$958 and \$1,026, respectively, 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 \$114 and \$108 during the years ended September 30, 2019 and 2018, respectively, 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.

Adoption of New Accounting Pronouncement - For the year ended September 30, 2019, the Foundation adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented except for the omission of prior year liquidity and availability of resource information as permitted by the ASU. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily and permanently restricted net assets are now reported as net assets with donor restrictions. The Foundation has also included information regarding its liquidity and availability of its financial assets (Note 13).

Subsequent Events - The Foundation has evaluated subsequent events through January 23, 2020, 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, 2019 and 2018 (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, 2019 and 2018.

Program receivables were as follows at September 30:

	In Thousands	
	2019	2018
Billed	\$ 3,266	\$ 4,721
Unbilled	12,134	6,089
Total Program Receivables	\$ 15,400	\$ 10,810

Note 4 - Pledges Receivable

Pledges receivable were due as follows at September 30:

	In Thousands	
	2019	2018
Pledges due in less than one year	\$ 490	\$ 706
Pledges due in two to five years	215	329
	705	1,035
Less present value discount (2.12% - 3.19%)	(22)	(26)
Total Pledges Receivable	\$ 683	\$ 1,009

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.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2019 and 2018 (Amounts are Reported in Thousands)

Note 5 - Continued

The Foundation held no investments classified as Level 2 at September 30, 2019 and 2018.

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, 2019 and 2018.

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.

Investments recorded at fair value on a recurring basis were as follows at September 30, 2019:

	In Thousands		
	Level 1	Level 3	Total
Mutual funds-			
Equity - large cap U.S.	\$ 3,389	\$ -	\$ 3,389
Equity - small/mid cap U.S.	468		468
Equity - international	4,233		4,233
Tactical	1,044		1,044
Blended	1,052		1,052
Fixed income	2,747		2,747
Fixed income - global	1,027		1,027
Total mutual funds	13,960		13,960
Equity securities-			
Technology	114		114
Energy	8		8
Consumer cyclical	52		52
Industrials	55		55
Communication services	52		52
Healthcare	106		106
Financial services	24		24
Total equity securities	411		411
Beneficial interest in charitable remainder trust		171	171
Total Investments at Fair Value on a Recurring Basis	\$ 14,371	\$ 171	\$ 14,542

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**Notes to Financial Statements
For the Years Ended September 30, 2019 and 2018
(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 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

THE ASIA FOUNDATION

**Notes to Financial Statements
For the Years Ended September 30, 2019 and 2018
(Amounts are Reported in Thousands)**

Note 5 - Continued

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

	<u>In Thousands</u>
	<u>Beneficial</u>
	<u>Interest in Trust</u>
Total Level 3 investments, October 1, 2017	\$ 150
Change in value of beneficial interest in trust	<u>14</u>
Total Level 3 Investments, September 30, 2018	164
Change in value of beneficial interest in trust	<u>7</u>
Total Level 3 Investments, September 30, 2019	<u>\$ 171</u>

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

	<u>In Thousands</u>	
	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 586	\$ 495
Realized and unrealized (losses) gains	(134)	245
Investment management fees	<u>(71)</u>	<u>(69)</u>
Investment Return, Net	<u>\$ 381</u>	<u>\$ 671</u>

Note 6 - Property and Equipment

Property and equipment consisted of the following at September 30:

	<u>In Thousands</u>	
	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 2,295	\$ 2,328
Leasehold improvements	2,456	2,263
Automobiles	1,492	1,501
Capitalized software	<u>848</u>	<u>823</u>
	7,091	6,915
Less accumulated depreciation and amortization	<u>(5,538)</u>	<u>(5,224)</u>
Property and Equipment, Net	<u>\$ 1,553</u>	<u>\$ 1,691</u>

As of September 30, 2019 and 2018, \$161 and \$130, respectively, of property and equipment was not yet placed in service and no depreciation or amortization had been recognized.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2019 and 2018 (Amounts are Reported in Thousands)

Note 7 - Pension Plans and Post-Retirement 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 \$1,194 and \$1,164 for the years ended September 30, 2019 and 2018, 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 \$758 and \$713 for the years ended September 30, 2019 and 2018, 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 actuarial present value of benefit obligations, funded status and change in benefit obligations were as follows for the years ended September 30:

	In Thousands	
	2019	2018
Change in benefit obligation-		
Accumulated benefit obligation, beginning of year	\$ 298	\$ 367
Net periodic cost - interest	(41)	(42)
Benefits paid	(44)	(47)
Adjustment to unrestricted net assets	74	20
Accumulated benefit obligation, end of year	287	298
Change in plan assets-		
Fair value of plan assets, beginning of year		
Employer contributions	44	47
Benefits and expenses paid	(44)	(47)
Fair value of plan assets, end of year		
Accumulated Accrued Pension Liability, End of Year	\$ 287	\$ 298

Unrecognized net gain, included as a deduction from net assets without donor restrictions, for the years ended September 30, 2019 and 2018, totaled \$287 and \$361, respectively. The gains are being amortized over the average future lifetime of covered retirees.

THE ASIA FOUNDATION

**Notes to Financial Statements
For the Years Ended September 30, 2019 and 2018
(Amounts are Reported in Thousands)**

Note 7 - Continued

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

	<u>2019</u>	<u>2018</u>
Medical cost trends for-		
Medical benefits	5.5%	6.0%
Prescription drug coverage	6.0%	7.0%
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	2.37%	3.83%

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>
2020	\$ 40
2021	38
2022	34
2023	31
2024	28
Succeeding 5 years	96

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 \$238 and \$260 at September 30, 2019 and 2018, respectively.

Note 8 - Net Assets Without Donor Restrictions

Net assets without donor restrictions consisted of the following at September 30:

	<u>In Thousands</u>	
	<u>2019</u>	<u>2018</u>
Undesignated	\$ 4,123	\$ 5,294
Board designated for long-term investment	13,333	13,008
Board designated for Indonesia operations	35	35
Total Net Assets Without Donor Restrictions	<u>\$ 17,491</u>	<u>\$ 18,337</u>

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2019 and 2018 (Amounts are Reported in Thousands)

Note 9 - Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes at September 30:

	In Thousands	
	2019	2018
Subject to expenditure for specific purpose or passage of time-		
Books for Asia	\$ 8,422	\$ 8,187
Restricted purpose projects	2,556	2,307
Programs and scholarships	1,015	968
Beneficial interest in remainder trust	171	164
	<u>12,164</u>	<u>11,626</u>
Restricted in Perpetuity	<u>2,972</u>	<u>2,972</u>
Total Net Assets With Donor Restrictions	<u>\$ 15,136</u>	<u>\$ 14,598</u>

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	
	2019	2018
Books for Asia	\$ 7,308	\$ 10,440
Restricted purpose projects	69	597
Programs and scholarships	20	73
Total Net Assets With Donor Restrictions Released	<u>\$ 7,397</u>	<u>\$ 11,110</u>

Note 10 - Endowments

The Foundation's net assets restricted in perpetuity 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 ASIA FOUNDATION

**Notes to Financial Statements
For the Years Ended September 30, 2019 and 2018
(Amounts are Reported in Thousands)**

Note 10 - Continued

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 net assets restricted in perpetuity within the net assets with donor restrictions classification (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 net assets restricted in perpetuity is classified in net assets with donor restrictions 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.

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

	In Thousands		
	Subject to Appropriation	Restricted in Perpetuity	Total
Endowment net assets, October 1, 2017	\$ 924	\$ 2,972	\$ 3,896
Endowment investment return, net	117		117
Appropriation of endowment for expenditure	(73)		(73)
Endowment Net Assets, September 30, 2018	968	2,972	3,940
Endowment investment return, net	67		
Appropriation of endowment for expenditure	(20)		(20)
Endowment Net Assets, September 30, 2019	\$ 1,015	\$ 2,972	\$ 3,920

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2019 and 2018 (Amounts are Reported in Thousands)

Note 10 - Continued

Funds With Deficiencies - From time to time, the fair value of investments associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies at September 30, 2019 and 2018.

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.

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 perpetually 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,	In Thousands
2020	\$ 1,189
2021	1,104
2022	1,067
2023	573
2024	123
Thereafter	92
Total	\$ 4,148

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2019 and 2018 (Amounts are Reported in Thousands)

Note 11 - Continued

Rental expense totaled \$2,690 and \$2,732 for the years ended September 30, 2019 and 2018, 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 \$3,431 and \$2,840 at September 30, 2019 and 2018, 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. One outstanding matter was resolved subsequent to September 30, 2019 with no loss incurred by the Foundation.

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 \$14,548 and \$18,880 as of September 30, 2019 and 2018, respectively.

Note 12 - Related Party Transactions

Contributions received from the Foundation's Board of Trustees totaled \$736 and \$1,063 for the years ended September 30, 2019 and 2018, respectively.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2019 and 2018 (Amounts are Reported in Thousands)

Note 13 - Liquidity and Availability of Financial Assets

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation invests cash in excess of daily requirements in short-term investments. In general, funds subject to expenditure for specific purposes are available for use when received subject to restrictions placed by donors. Board designated funds may be made available for use at the Board's discretion.

The Foundation's financial assets available to meet general expenditures within one year are as follows at September 30, 2019:

	<u>In Thousands</u>
Cash and cash equivalents	\$ 23,822
Accounts receivable, net	17,276
Pledges receivable, net	683
Investments	<u>14,542</u>
Total financial assets	56,323
Contractual and donor-imposed restrictions-	
Pledges due in two to five years	(193)
Deferred support beyond one year	(1,056)
Restricted purpose projects	(2,556)
Restricted for programs and scholarships	(1,015)
Beneficial interest in remainder trust	(171)
Restricted in perpetuity	(2,972)
Obligated for nonoperating costs	(1,000)
Board designated for long-term investment	<u>(13,333)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u><u>\$ 34,027</u></u>

SUPPLEMENTARY INFORMATION

THE ASIA FOUNDATION

Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards For the Year Ended September 30, 2019

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Multilateral Awards:			
Asian Development Bank-			
Strengthening Women's Resilience to Climate Change and Disaster Risk in Asia and Pacific	Mongolia	137085-S53164	\$ 98,079
Punjab Intermediate Cities Improvement Investment Program - Project Communication Specialist	Pakistan	135641-S96685	15,429
Mongolia: Strengthening the Anticorruption Regime	Mongolia	152173-S53501	<u>234</u>
Total Asian Development Bank			113,742
Centre for Peace and Conflict Studies-			
Foundations for Future Peace in Southern Thailand	Thailand	EU Contract #ICSP/2017/390-495	<u>281,303</u>
Total Centre for Peace and Conflict Studies			281,303
European Commission-			
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	<u>156,693</u>
Total European Commission			156,693
European Union-			
Improving Government Accountability Through Social Auditing	Timor-Leste	CSO-LA/2016/375-900	227,409
Justice Sector Responsibility and Accountability to Redress SGBV	Sri Lanka	EIDHR/2017/389-234	97,900
Promoting Regional Cooperation Capacity in Ministry of Foreign Affairs (PRCC-MoFA)	Afghanistan	ACA/2017/386-784	<u>432,251</u>
Total European Union			757,560
International Labour Office-			
Skills for Employment Programme	Nepal	001-2018 (OFC No. 5558459/3599)	(15,820)
Sunaulo Mauka - Enhancing Livelihoods Through Mobile and Online Solutions	Nepal	40230872/0	229,404
Promoting Decent Work Through Good Governance, Protection and Empowerment of Migrant Workers in Sri Lanka	Sri Lanka		<u>42,775</u>
Total International Labour Office			256,359
The World Bank-			
Policy Research on Subnational PFM Issue	Myanmar	7189934	<u>162,694</u>
Total The World Bank			162,694
United Nations Economic and Social Council-			
Integrating the Sustainable Development Goals into Local Action in Support of the Implementation of the 2030 Agenda in Asia and the Pacific (ESCAP)	Mongolia	DA/LOA/2019-0014	<u>5,610</u>
Total United Nations Economic and Social Council			5,610
United Nations Environment Programme-			
Chemicals and Waste	Mongolia	P1-33JCL-000031	(1,637)
Delivering Integrated Waste Solutions at the National and Local Level	Mongolia	M1-32CPL-000359	<u>166,546</u>
Total United Nations Environment Programme			164,909
United Nations Children's Fund-			
Enhancing Child Protection System to Keep Filipino Children Safe	Philippines	PHI/PCA201946	<u>34,337</u>
Total United Nations Children's Fund			<u>34,337</u>
Total Multilateral Awards			1,933,207

See independent auditor's report.

THE ASIA FOUNDATION

Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2019

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Other Governments Awards:			
Aecom Services PTY LTD- Township Development Indicators (TDI) Database	Myanmar	ADA 003	186,371
Total Aecom Services PTY LTD			186,371
Australian Department of Foreign Affairs and Trade (AusDFAT, formerly AusAID)- PNPM Phase II: National Program for Community Empowerment	Indonesia	70009	5,044,704
Ending Violence Against Women in Timor-Leste	Timor-Leste	69943	2,687,393
Sri Lanka Sub National Governance Project	Sri Lanka	71894	937,356
DFAT-TAF Partnership - Innovations in Development Policy and Practice (the Partnership)	Programs	72281/1 72580/1	288,610
Institutionalizing the Survey of the Afghan People 2017-2019	Afghanistan	73472	298,138
Research Survey Initiative	Bangladesh	72809	28,131
Sustainable Development Investment Portfolio Phase 2 (SDIP Phase 2)	India	72580/3	471,285
Strategic Partnership on Subnational Governance in Nepal	Nepal	72580/4	4,571,597
Cohesion, Advocacy, Resilience and Expansive Engagement (CARE) for Peace in the Philippines	Philippines	73672	1,211,052
APEC CONNECT - Empowering Local Agricultural Producers with a Global Trading Industry	Vietnam	73994	21,668
Non-Government Organisation Funding to Support Good Public Policy in Public Administration and Public Financial Management in Timor-Leste (Phase II)	Timor-Leste	61971	(42)
Strengthened Access to Justice for Women Affected by Violence Through Proven Culturally Sensitive Approaches 2 (AZJ-II)	Afghanistan	74074	1,250,166
ASEAN: Australia Workshop: Future of Digital Transformation among ASEAN			
The ASEAN-Australia Cyber Workshop and Training in Bangkok	Thailand	72281 72580/9	27,259
Engagement of a Performance Management Adviser for DFAT's Ending Violence Against Women Program in Afghanistan	Afghanistan	74151	90,514
Adhika Para sa Katarungan	Philippines	72580/11	620,901
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	43,062
Gender-Sensitive Corporate Responsibilities Among Chinese Textile Investors in Cambodia	China	72281 72580/12	61,619
ASEAN - Australia Strategic Partnership: ACTIP Implementation	Thailand	72580/13	568,512
Coalitions for Change Program Phase 2	Philippines	74632	2,759,240
Technical Cyber Security and Incident and Network Management Training	Program Specialists Group - San Francisco	72281 72580/14	(68,435)
Lessons Learned: Preventing and Countering Violent Extremism Programming in Asia	Program Specialists Group - Thailand	72281 72580/16	45,384
Public Accountability Through Court Transformation (PACT)	Philippines	75032	203,775
Supporting Local Government Units in Preventing Violent Extremism in Mindanao	Philippines	75050	207,896
Australia-Thailand Middle Income Initiatives: Improving Competitiveness Through Functional Literacy and Responsive Policy Engagement	Thailand	72580/17	115,402
Ponlok Chomnes: Data and Dialogue for Development	Cambodia	72580/19	326,145
Southeast Asia Civil Society Scoping	Vietnam	72580/18	138,465
Shaping the Future of Mekong Regional Architecture	Thailand	72580/22	162,326
Strengthening the Australia-ASEAN Partnership: Regional Capacity Building and Policy Dialogues	Thailand	72580/23	50,494
Knowledge for Prevention: Data and Analysis on the State of Violence in Asia	Program Specialists Group - Thailand	72580/24	70,761
Supporting Democracy Through Engaging Youth Voices: Ulaanbaatar Summit	Mongolia	72580/27	17,187
Bangladesh - Research Survey Initiative	Bangladesh	75429	271
Survey of the Afghan People (SAP)	Afghanistan	72580/29	79,052
AMIC Program Initiative: Support for Australian Engagement in Malaysia and Thailand	Programs	72580/31	10,944
Total Australian Department of Foreign Affairs and Trade (AusDFAT, formerly AusAID)			22,340,832

See independent auditor's report.

THE ASIA FOUNDATION

**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2019**

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Other Governments Awards (Continued):			
British Embassy- Institutionalizing the Survey of the Afghan People 2016-2021	Afghanistan	300041	<u>316,050</u>
Total British Embassy			316,050
Canadian DFATD- STEPS: Strengthening Democratic Participation and Transparency in the Public Service Sector in Mongolia	Mongolia	PO 7062071	<u>607,330</u>
Total Canadian DFATD			607,330
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	<u>570,739</u> <u>191,392</u>
Total CARDNO			762,131
Coffey International Development- Laos Australia National Scholarships (LANS) Academic Support Program (ASP) Curriculum Review and Teacher Training	Laos		<u>35,665</u>
Total Coffey International Development			35,665
Conciliation Resources-			
	Program Specialists Group -		
Smart Peace Project (Co-Creation Phase) Implementation Phase of the Smart Peace Project	Thailand Myanmar	DFID: 300055-108 DFID: 300055-108	<u>140,324</u> <u>10,140</u>
Total Conciliation Resources			150,464
Cowater Sogema- Australia-Cambodia Cooperation for Equitable Sustainable Services (ACCESS)	Cambodia	1240-ACCESS-PPA-009	<u>1,468</u>
Total Cowater Sogema			1,468
Department for International Development (DFID)- Improving Governance and Civil Society Engagement to Prevent Deforestation and Land Degradation (SETAPAK II)	Indonesia	204623-101	3,583,490
South Asia Water Governance Programme (SAWGP)	India	PO 7159	137,867
National School of Government International Kyrgyzstan	Evaluation and Learning -		
	Thailand	40101952	1,391
Improving the Sharing and Use of Data as Evidence for Development in Nepal	Nepal	203385-103	590,148
Strengthening and Promoting Active Citizenship in Bangladesh (SPACB)	Bangladesh	203487-106	493,859
Economic Growth, Infrastructure, and the Environment: Finding the Balance	Indonesia	300185-102	814,684
Researching Border Conflicts Through Local Networks	Program Specialists Group -		
	Thailand	300100	2,213,832
To Provide Conflict Sensitivity Support to Improve Development Impacts in Burma	Myanmar	204661-104	107,744
Independent Impacts and Recovery Monitoring Project (IRM) - Phase 3	Nepal	203385-103	<u>87,538</u>
Total Department for International Development (DFID)			8,030,553
Deutsche Gesellschaft für Internationale Zusammenarbeit- GIZ - North Booster Survey 2018	Afghanistan	81227216	16,500
Bridging the Gap Between Informal and Formal Justice	Afghanistan	81228295	1,173,920
Improving Mental Health and Psychosocial Support Services Associated With Consolidating Transitional Justice (IMPACT)	Sri Lanka	81232721	12,439
Promotion of Employment for Marginalized Groups/Partnership for Sustainable Agroforestry (PSAF)	Timor-Leste	81242807	72,971
Cofinancing SAP 2019-2020	Afghanistan	81243442	<u>69,736</u>
Total Deutsche Gesellschaft für Internationale Zusammenarbeit			1,345,566

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Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2019

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Other Governments Awards (Continued):			
Development Alternatives- Growth With Equity in Myanmar Programme (GEM)	Myanmar		<u>579,269</u>
Total Development Alternatives			579,269
Embassy of Canada- CFLI Women Economic Empowerment and Recycling	Timor-Leste	CFLI-2019-JKRTA-TL-0003	<u>1,385</u>
Total Embassy of Canada			1,385
Foreign and Commonwealth Office- Inter-Faith and Inter-Communal Dialogue in High Risk Areas in Sri Lanka	Sri Lanka	CPG/1323/2016	65,482
Investing to Community Security; Associated With Framework Agreement	Myanmar	CPG/1265/2016	1,125,379
CCSF: Support for Sri Lankan Police Reform	Sri Lanka	CPG/1752/2017	266,185
Strengthening the Autonomy of the Lao National Assembly Through the Institute of Legislative Studies	Laos		3,740
Strengthening Safeguarding and Child Protection Mechanisms in Anti-Trafficking in Persons Law Enforcement	Philippines		16,329
National Assembly Institute Legislative Studies: Phase 3	Laos		3,439
Promoting Rule of Law Through Justice Sector Collaboration in Lao PDR	Laos		9,122
Promoting Rule of Law through Justice Sector Collaboration	Laos		11,963
ARMM - Bangsamoro Transition Data Series	Philippines		13,436
CCSF Sri Lanka: UK Support for the Implementation of Community Policing	Sri Lanka	CPG/2204/2019	<u>33,593</u>
Total Foreign and Commonwealth Office			1,548,668
Forum Organizaasaun Non-Governmentais Timor-Leste- FONGTIL - Social Audit	Timor-Leste		<u>17,743</u>
Total Forum Organizaasaun Non-Governmentais Timor-Leste			17,743
Global Affairs Canada- Women's Voice and Leadership - Sri Lanka	Sri Lanka	PO 7398950	79,794
Women's Voice and Leadership - Afghanistan	Afghanistan	PO 7400726	<u>158,712</u>
Total Global Affairs Canada			238,506
Governance Facility- Advanced Technical Assistance to Improve GESI Sensitive Community Mediation Policy and Practice in Nepal (ICOMP)	Nepal	GF-KTM/A2J/Agreement	<u>(298)</u>
Total Governance Facility			(298)
International Development Enterprises- Women's Economic Empowerment Through Strengthening Market Systems	Bangladesh	SIDA ID 52170023	<u>484,645</u>
Total International Development Enterprises			484,645
International Development Research- Monitoring Subnational Violence in Asia	Program Specialists Group - Thailand	108239-001	<u>166,029</u>
Total International Development Research			166,029
Italian Agency for Development Cooperation- New Afghan Penal Code Commentary (First Book) and Related Workshops (Heart and Bamiyan)	Afghanistan	CIG 7658853D6C	<u>88,404</u>
Total Italian Agency for Development Cooperation			88,404

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Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2019

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Other Governments Awards (Continued):			
Korea Development Institute-			
International Development Cooperation Capacity Building 2018	Korea, South	Year 9	143,259
Contemporary Economic and Social Policy for Inclusive Growth	Korea, South		26,780
Asian Approaches to Development Cooperation: Supporting Conflict Prevention and Peacebuilding	Korea, South		42,638
2018 KDI School Internship Program	Cambodia		3,600
2018 KDI School Internship Program	Laos		3,544
2018 KDI School Internship Program	Malaysia		3,467
2018 KDI School Internship Program	Mongolia		3,544
2018 KDI School Internship Program	Philippines		320
2018 KDI School Internship Program	Sri Lanka		3,539
2018/19 Asia Development Internships	Korea, South		33,459
International Development Cooperation Capacity Building Program 2019	Korea, South		<u>119,445</u>
Total Korea Development Institute			383,595
Korea International Development Corporation Centre-			
ODA Project Implementing Organization Youth Internship	Korea, South		<u>40,342</u>
Total Korea International Development Corporation Centre			40,342
Korea International Cooperation Agency-			
Women's Business Center and Incubator (WBC)	Mongolia		(65,211)
Making Cities Safe for Women in India (KOICA's Innovative Partnership Solution (IPS) Program)	India		217,513
The Mongolia Women's Business Center: Women Entrepreneurs' Business Capacity Building and Startup Incubation Program	Mongolia		<u>247,551</u>
Total Korea International Cooperation Agency			399,853
Ministry of Rural Rehabilitation and Development, Afghanistan (MRRD)-			
ODA Project Implementing Organization Youth Internship	Afghanistan	ATRF TFA03827 IDA D1390-AF	<u>10,360</u>
Total Ministry of Rural Rehabilitation and Development, Afghanistan (MRRD)			10,360
Multiple Funders-			
Myanmar Strategic Support Program (MSSP)	Myanmar	71716; 81043002	1,581,052
Independent Impact and Recovery Monitoring for Accountability in Post-Earthquake Nepal: Phase Two	Nepal	203385-103; 8104153	(13,581)
Institutionalizing the Survey of the Afghan People 2016-2021	Afghanistan	CR 31959 31960 31961 31962	1,394
Accountable and Inclusive States and Regions (AISR)	Myanmar	203996-107 PO 40117844	<u>607,915</u>
Total Multiple Funders			2,176,780
Netherlands Embassy in Jakarta-			
Enhancing Religious Freedom Protection and Human Rights	Indonesia	4000002072	<u>350,510</u>
Total Netherlands Embassy in Jakarta			350,510
New Zealand Agency of International Development-			
Tourism Development Activity (aka Tourism Action Plan)	Timor-Leste	CT File: GRA-1064-1	<u>3,280</u>
Total New Zealand Agency of International Development			3,280
New Zealand Embassy-			
Timor-Leste Community Policing Support Programme (CPSP)	Timor-Leste	CT File: GRA-560-5	1,315,863
Global Security Fund Project: Study on CVE and Social Media in the Philippines	Philippines		<u>(605)</u>
Total New Zealand Embassy			1,315,258
New Zealand Ministry of Foreign Affairs-			
Technical Cyber Security and Incident and Network Management Training	Program Specialists - San Francisco	Under NZ APEC 2018 Fund	106,956
Timor-Leste Tourism Development	Timor-Leste	WPG-0101063; A12629	328,719
Design for Timor-Leste Tourism Development 2019	Timor-Leste	ACT-0A12629	<u>87,840</u>
Total New Zealand Ministry of Foreign Affairs			523,515
Niti Foundation-			
MaRPEG - Managing Resource Based Disputes for Peace-Building and Economics Growth	Nepal		<u>7,154</u>
Total Niti Foundation			7,154

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Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2019

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
Other Governments Awards (Continued):			
Palladium Group-			
Mobile Banking - Financial Inclusion and Economic Empowerment for Low Income Population and Women in Vietnam	Vietnam		(3,351)
Job Information and Recruitment Services in Cambodia	Cambodia	Service Order 1 of Deed 65670	34,187
FOKA BA FUTURU - Film the Future of FTF	Timor-Leste		15,220
Education Pathways to Peace in Mindanao	Philippines	73849	52,030
Financial Inclusion and Economic Empowerment for the Low-Income Population and Women in Vietnam Phase II	Vietnam	Service order 1 Deed 65670	<u>47,305</u>
Total Palladium Group			145,391
Royal Danish Embassy-			
Promoting an Inclusive Democracy	Indonesia		<u>85,786</u>
Total Royal Danish Embassy			85,786
Royal Netherlands Embassy-			
Engaging Employers to Address Domestic Violence in China	China	400001426	<u>62,414</u>
Total Royal Netherlands Embassy			62,414
Scope Global Pty Ltd-			
Logistic Support to Australian Alumni Association in Kabul	Afghanistan	AusDFAT Agreement No: 71010	<u>94,240</u>
Total Scope Global Pty Ltd			94,240
Swiss Agency for Development and Cooperation-			
Strengthening and Promoting Active Citizenship in Bangladesh Under the Election Support	Bangladesh	81056092	312,303
Mandate for Implementing Component 2 of GDP: Urban Governance	Mongolia	81034716	828,184
Civic Engagement II Project - "Youth Voices" Summit	Mongolia	2019/08A	1,888
MYA: General Administration Department (GAD) Study Tour	Myanmar	81061715	<u>67,304</u>
Total Swiss Agency for Development and Cooperation			1,209,679
The Danish Ministry of Foreign Affairs-			
Enhancing State and Society Commitment to Human Rights in Indonesia	Indonesia		<u>(9,970)</u>
Total The Danish Ministry of Foreign Affairs			<u>(9,970)</u>
Total Other Governments Awards			<u>43,698,968</u>
Total Multilateral and Bilateral Awards			<u>\$ 45,632,175</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.

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