



Financial Statements

For the Years Ended September 30, 2021 and 2020

Table of Contents

| | Page |
|--|---------|
| Independent Auditor's Report | 1 - 2 |
| Financial Statements: | |
| Statements of Financial Position | 3 |
| Statements of Activities and Changes in Net Assets | 4 - 5 |
| Statements of Functional Expenses | 6 - 7 |
| Statements of Cash Flows | 8 |
| Notes to Financial Statements | 9 - 25 |
| Supplementary Information: | |
| Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards | 26 - 30 |

Independent Auditor's Report

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

We have audited the accompanying financial statements of The Asia Foundation (the Foundation), which comprise the statements of financial position as of September 30, 2021 and 2020, 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. 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, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance 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 schedule of expenditures of nonfederal bilateral and multilateral awards on pages 26 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.

Clark Nuber P.S.

Certified Public Accountants
January 24, 2022

THE ASIA FOUNDATION

**Statements of Financial Position
September 30, 2021 and 2020
(In Thousands)**

| | <u>2021</u> | <u>2020</u> |
|--|-------------------------|-------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 35,163 | \$ 28,219 |
| Accounts receivable, net | 9,032 | 15,533 |
| Pledges receivable, net | 1,028 | 1,154 |
| Books for Asia inventory | 9,063 | 8,328 |
| Prepaid expenses and other assets | 1,939 | 2,702 |
| Investments | 18,813 | 15,744 |
| Property and equipment, net | <u>1,374</u> | <u>1,498</u> |
| Total Assets | <u>\$ 76,412</u> | <u>\$ 73,178</u> |
| Liabilities and Net Assets | | |
| Accounts payable and accrued expenses | \$ 9,831 | \$ 8,800 |
| Deferred support | 21,892 | 21,160 |
| Accrued post-retirement benefit obligation | <u>150</u> | <u>497</u> |
| Total Liabilities | 31,873 | 30,457 |
| Net Assets: | | |
| Without donor restrictions | 21,369 | 18,734 |
| With donor restrictions | <u>23,170</u> | <u>23,987</u> |
| Total Net Assets | <u>44,539</u> | <u>42,721</u> |
| Total Liabilities and Net Assets | <u>\$ 76,412</u> | <u>\$ 73,178</u> |

See accompanying notes.

THE ASIA FOUNDATION

Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2021
(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 | \$ 87,102 | \$ - | \$ - | \$ 87,102 | \$ 370 | \$ - | \$ - | \$ - | \$ 370 | \$ 87,472 |
| Foundations, corporations and individuals | 2,392 | | | 2,392 | 3,760 | | | | 3,760 | 6,152 |
| Books for Asia program | | | | | | 2,495 | | | 2,495 | 2,495 |
| Net asset reclassifications | 3,938 | | (3,918) | 20 | (740) | | 20 | 700 | (20) | |
| Net assets released from donor restriction and board designation | 6,673 | 1,760 | (538) | 7,895 | (5,991) | (1,771) | (133) | | (7,895) | |
| Total support | 100,105 | 1,760 | (4,456) | 97,409 | (2,601) | 724 | (113) | 700 | (1,290) | 96,119 |
| Revenue- | | | | | | | | | | |
| Investment return, net and other | 171 | | 2,545 | 2,716 | | | 473 | | 473 | 3,189 |
| Total Support and Revenue | 100,276 | 1,760 | (1,911) | 100,125 | (2,601) | 724 | 360 | 700 | (817) | 99,308 |
| Expenses: | | | | | | | | | | |
| Program, grants and related services | 82,708 | | | 82,708 | | | | | | 82,708 |
| Books for Asia distribution | | 1,760 | | 1,760 | | | | | | 1,760 |
| Supporting services- | | | | | | | | | | |
| Administration and general | 12,373 | | | 12,373 | | | | | | 12,373 |
| Fundraising | 649 | | | 649 | | | | | | 649 |
| Total Expenses | 95,730 | 1,760 | | 97,490 | | | | | | 97,490 |
| Change in Net Assets | 4,546 | | (1,911) | 2,635 | (2,601) | 724 | 360 | 700 | (817) | 1,818 |
| Net assets, beginning of year | 4,758 | | 13,976 | 18,734 | 10,834 | 8,339 | 1,217 | 3,597 | 23,987 | 42,721 |
| Net Assets, End of Year | \$ 9,304 | \$ - | \$ 12,065 | \$ 21,369 | \$ 8,233 | \$ 9,063 | \$ 1,577 | \$ 4,297 | \$ 23,170 | \$ 44,539 |

See accompanying notes.

THE ASIA FOUNDATION

**Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2020
(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 | \$ 85,650 | \$ - | \$ - | \$ 85,650 | \$ 1,312 | \$ - | \$ - | \$ - | \$ 1,312 | \$ 86,962 |
| Foundations, corporations and individuals | 6,189 | | | 6,189 | 7,392 | | | 625 | 8,017 | 14,206 |
| Books for Asia program | | | | | | 4,903 | | | 4,903 | 4,903 |
| Net assets released from restriction | 541 | 4,986 | | 5,527 | (536) | (4,986) | (5) | | (5,527) | |
| Total support | 92,380 | 4,986 | | 97,366 | 8,168 | (83) | (5) | 625 | 8,705 | 106,071 |
| Revenue- | | | | | | | | | | |
| Investment return, net and other | (228) | | 1,078 | 850 | | | 146 | | 146 | 996 |
| Total Support and Revenue | 92,152 | 4,986 | 1,078 | 98,216 | 8,168 | (83) | 141 | 625 | 8,851 | 107,067 |
| Expenses: | | | | | | | | | | |
| Program, grants and related services | 78,612 | | | 78,612 | | | | | | 78,612 |
| Books for Asia distribution | | 4,986 | | 4,986 | | | | | | 4,986 |
| Supporting services- | | | | | | | | | | |
| Administration and general | 12,534 | | | 12,534 | | | | | | 12,534 |
| Fundraising | 841 | | | 841 | | | | | | 841 |
| Total Expenses | 91,987 | 4,986 | | 96,973 | | | | | | 96,973 |
| Change in Net Assets | 165 | | 1,078 | 1,243 | 8,168 | (83) | 141 | 625 | 8,851 | 10,094 |
| Net assets, beginning of year | 4,593 | | 12,898 | 17,491 | 2,666 | 8,422 | 1,076 | 2,972 | 15,136 | 32,627 |
| Net Assets, End of Year | \$ 4,758 | \$ - | \$ 13,976 | \$ 18,734 | \$ 10,834 | \$ 8,339 | \$ 1,217 | \$ 3,597 | \$ 23,987 | \$ 42,721 |

See accompanying notes.

THE ASIA FOUNDATION

**Statement of Functional Expenses
For the Year Ended September 30, 2021
(In Thousands)**

| | Program Grants and Related Services | Supporting Services | | Total |
|-------------------------------------|---|-------------------------------|----------------------|-------------------------|
| | | Administration and General | Fundraising | |
| Program grants and subcontracts | \$ 27,852 | \$ - | \$ - | \$ 27,852 |
| Staff salaries | 18,442 | 6,324 | 308 | 25,074 |
| Non-staff salaries | 11,450 | | | 11,450 |
| Payroll taxes and employee benefits | 12,909 | 3,191 | 140 | 16,240 |
| Office rent and utilities | 2,851 | 572 | 20 | 3,443 |
| Travel | 1,520 | 22 | | 1,542 |
| Professional fees | 321 | 1,100 | 136 | 1,557 |
| Employee housing | 1,338 | | | 1,338 |
| Personnel - moving expenses | 234 | 34 | | 268 |
| Communications and supplies | 1,236 | 432 | 10 | 1,678 |
| Equipment expenses | 1,542 | 254 | 5 | 1,801 |
| General insurance | 185 | 99 | 2 | 286 |
| Conferences, training and other | 2,694 | 278 | 28 | 3,000 |
| Foreign currency exchange | 40 | | | 40 |
| Public relations | | 67 | | 67 |
| | <u>82,614</u> | <u>12,373</u> | <u>649</u> | <u>95,636</u> |
| Books for Asia book distribution | 1,760 | | | 1,760 |
| Other in-kind | 94 | | | 94 |
| Total Expenses | <u>\$ 84,468</u> | <u>\$ 12,373</u> | <u>\$ 649</u> | <u>\$ 97,490</u> |

See accompanying notes.

THE ASIA FOUNDATION

Statement of Functional Expenses
For the Year Ended September 30, 2020
(In Thousands)

| | Program Grants and Related Services | Supporting Services | | Total |
|-------------------------------------|---|-------------------------------|---------------|------------------|
| | | Administration and General | Fundraising | |
| Program grants and subcontracts | \$ 26,382 | \$ - | \$ - | \$ 26,382 |
| Staff salaries | 17,462 | 6,432 | 246 | 24,140 |
| Non-staff salaries | 9,632 | | | 9,632 |
| Payroll taxes and employee benefits | 11,592 | 3,085 | 107 | 14,784 |
| Office rent and utilities | 2,820 | 605 | 22 | 3,447 |
| Travel | 3,152 | 210 | 3 | 3,365 |
| Professional fees | 322 | 1,164 | 95 | 1,581 |
| Employee housing | 1,483 | 9 | | 1,492 |
| Personnel - moving expenses | 182 | 30 | | 212 |
| Communications and supplies | 1,212 | 377 | 9 | 1,598 |
| Equipment expenses | 1,204 | 214 | 4 | 1,422 |
| General insurance | 179 | 93 | 2 | 274 |
| Conferences, training and other | 2,980 | 279 | 21 | 3,280 |
| Foreign currency exchange | 10 | | | 10 |
| Public relations | | 36 | | 36 |
| | 78,612 | 12,534 | 509 | 91,655 |
| Books for Asia book distribution | 4,986 | | | 4,986 |
| Other in-kind | | | 332 | 332 |
| Total Expenses | \$ 83,598 | \$ 12,534 | \$ 841 | \$ 96,973 |

See accompanying notes.

THE ASIA FOUNDATION

**Statements of Cash Flows
For the Years Ended September 30, 2021 and 2020
(In Thousands)**

| | <u>2021</u> | <u>2020</u> |
|---|------------------|------------------|
| Cash Flows From Operating Activities: | | |
| Change in net assets | \$ 1,818 | \$ 10,094 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities- | | |
| Noncash activity included in change in net assets: | | |
| Depreciation and amortization | 420 | 462 |
| Realized and unrealized gain on investments | (2,597) | (814) |
| (Gain) loss on disposal of property and equipment | (1) | 2 |
| Accrued post-retirement benefit obligation | (347) | (28) |
| Gifts-in-kind contributions for Books for Asia program | (2,495) | (4,903) |
| Distribution of books for Books for Asia program | 1,760 | 4,986 |
| Contributions to endowment | | (625) |
| Changes in assets and liabilities: | | |
| Accounts receivable | 6,501 | 1,743 |
| Pledges receivable | 126 | (471) |
| Prepaid expenses and other assets | 763 | 129 |
| Accounts payable and accrued expenses | 1,031 | (1,445) |
| Deferred support | 732 | (4,561) |
| Net Cash Provided by Operating Activities | 7,711 | 4,569 |
| Cash Flows From Investing Activities: | | |
| Proceeds from the sale of investments | 3,705 | 4,301 |
| Purchases of investments | (4,177) | (4,689) |
| Proceeds from the sale of property and equipment | 17 | 25 |
| Purchases of property and equipment | (312) | (434) |
| Net Cash Used by Investing Activities | (767) | (797) |
| Cash Flows From Financing Activities: | | |
| Proceeds from contributions to endowment | | 625 |
| Net Cash Provided by Financing Activities | | 625 |
| Net Change in Cash and Cash Equivalents | 6,944 | 4,397 |
| Cash and cash equivalents, beginning of year | 28,219 | 23,822 |
| Cash and Cash Equivalents, End of Year | \$ 35,163 | \$ 28,219 |

See accompanying notes.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2021 and 2020

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, New York City, Pacific Island Nations, 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, U.K. Foreign, Commonwealth and Development Office, 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 reclassifications between the applicable classes of net assets. It is the Foundation's policy to recognize restricted support and revenue in the net assets without donor restrictions classification if the restrictions have been met in the same year the support and revenue was recognized, except for donations to the Books for Asia program, which are reported as contributions with donor restrictions and are released from restriction upon use.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2021 and 2020

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 support revenue 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. An allowance for doubtful accounts was deemed unnecessary at September 30, 2021 and 2020.

Pledges Receivable - Pledges receivable, unconditional promises to give, that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows using a risk adjusted rate. Management provides for probable uncollectible amounts through a charge to support 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, 2021 and 2020.

Books for Asia Inventory - 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 and as Program revenue and inventory, and are recorded as expense and a reduction to inventory when the goods are either distributed or used in the Program. Inventory is released using a specific identification method and is reviewed at least annually for impairment. Inventory is considered impaired when it becomes obsolete, damaged, or otherwise is determined to be unusable (Note 5).

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.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2021 and 2020

Note 2 - Continued

Property and Equipment - The Foundation capitalizes property and equipment with a cost of \$5,000, 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 \$5,000 are capitalized and depreciated over the software's estimated useful life, which is up to ten years.

Deferred Support - Deferred support consists of the advance payments for conditional grants and awards or for activities performed under contracts.

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 (Note 9).

Revenue Recognition - Unconditional contributions and grants are recognized as revenue in the period received. Conditional promises to give are recognized as revenue when the conditions on which they depend are satisfied. Most government, bilateral and multilateral awards are considered conditional grants, and revenue is recognized generally on a cost-reimbursement basis when qualifying expenditures are incurred. Outstanding conditional contributions and grants totaled approximately \$190 million and \$167 million as of September 30, 2021 and 2020, respectively, and are expected to be recognized as revenue over the next five years. Approximately 64% and 54% of these amounts as of September 30, 2021 and 2020, respectively, are from the U.S. Government. Contributions also include nonfinancial gifts-in-kind which are valued at estimated fair value on the date received. 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. Fees for services performed in exchange transactions are recognized as revenue in the period the performance obligation is completed, which is typically aligned with costs incurred.

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, 2021 and 2020, the Foundation held approximately \$3.73 million and \$4.23 million in foreign countries, of which \$1.58 million and \$2.48 million 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 73% and 40% of the Foundation's total accounts receivable at September 30, 2021 and 2020, respectively. Revenue from awards and contracts from the U.S. Government provided 55% and 40% of the Foundation's total support for the years ended September 30, 2021 and 2020, respectively.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2021 and 2020

Note 2 - Continued

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 16% and 12% of the Foundation's total accounts receivable at September 30, 2021 and 2020, respectively. Revenue from this Congressional appropriation provided 19% and 16% of the Foundation's total support for the years ended September 30, 2021 and 2020, respectively.

Receivables for awards from one multilateral development agency represented 24% of the Foundation's total accounts receivable at September 30, 2021, and awards from two multilateral development agencies represented 22% of the Foundation's total accounts receivable at September 30, 2020. Revenue for awards from one bilateral development agency provided 19% and 20% of the Foundation's total support for the years ended September 30, 2021 and 2020, respectively.

Approximately 57% and 67% of pledges receivable were due from two individual donors at September 30, 2021 and 2020, 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.

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 \$40,000 and gains totaled \$10,000 for the years ended September 30, 2021 and 2020, respectively.

Special Events - Special events held during the years ended September 30, 2021 and 2020, resulted in gross receipts of approximately \$776,000 and \$875,000 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 \$161,000 and \$191,000 during the years ended September 30, 2021 and 2020, respectively, and are included in fundraising expense on the statements of activities and changes in net assets.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2021 and 2020

Note 2 - Continued

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 - During the year ended September 30, 2020, the Foundation adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2018-08 - Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update was issued to clarify and improve the scope and accounting guidance for contributions received and contributions made. The update assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and (2) determining whether a contribution is conditional. The Foundation elected to adopt the changes from this ASU prospectively in fiscal year 2020 for contributions received. As a result of the adoption of this ASU, for the fiscal year 2020, government, bilateral and multilateral awards that were previously treated as exchange transactions are now recognized as nonreciprocal transactions. As some of these awards are now treated as unconditional contributions, this change resulted in recognizing revenue totaling approximately \$1,312 for awards that would have been recognized as revenue in future years under the Foundation's previous revenue recognition policy. The adoption of this ASU also applies to foundation, corporation and individual gifts and resulted in recognizing revenue totaling approximately \$6,152 for grants and gifts determined to be unconditional. The Foundation adopted the changes from this ASU for grants awarded to other organizations prospectively in fiscal year 2021, and no changes have been made as a result of this implementation in fiscal year 2021.

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 activities performed. All program receivables are deemed collectible at September 30, 2021 and 2020.

Program receivables were as follows at September 30:

| | In Thousands | |
|----------------------------------|-----------------|------------------|
| | 2021 | 2020 |
| Billed | \$ 5,453 | \$ 8,977 |
| Unbilled | 2,965 | 5,990 |
| Total Program Receivables | \$ 8,418 | \$ 14,967 |

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2021 and 2020

Note 4 - Pledges Receivable

Pledges receivable were due as follows at September 30:

| | In Thousands | |
|-------------------------------------|-----------------|-----------------|
| | 2021 | 2020 |
| Pledges due in less than one year | \$ 491 | \$ 574 |
| Pledges due in two to five years | 586 | 605 |
| | 1,077 | 1,179 |
| Less present value discount (0.68%) | (49) | (25) |
| Total Pledges Receivable | \$ 1,028 | \$ 1,154 |

Note 5 - Books for Asia Inventory and Gifts-in-Kind

The Foundation receives gifts-in-kind consisting of books, software and related shipping services donated to the Foundation's Books for Asia program (the Program). Donated books and software are recorded as inventory and revenue at the time received and as Program services expense and a reduction of inventory in the period in which the books are used by or distributed under the Program (Note 2).

Contribution revenue is recognized based on the fair value of the books and software on the date received. 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 in 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 as Books for Asia inventory in the statements of financial position. The value of the books and software held at year end and reported on the statements of financial position is reduced if it is determined the value has changed due to obsolescence, damage, or disposal.

Gifts-in-kind inventory, revenue and expense consisted of the following as of and for the years ended September 30:

| | In Thousands | |
|---|-----------------|-----------------|
| | 2021 | 2020 |
| Books for Asia inventory, beginning of year | \$ 8,377 | \$ 8,463 |
| Donated books and software | 2,495 | 4,903 |
| Books and software used or distributed | (1,760) | (4,986) |
| Change in allowance | | (3) |
| | 9,112 | 8,377 |
| Books for Asia inventory, end of year | 9,112 | 8,377 |
| Allowance | (49) | (49) |
| Books for Asia inventory, Net | \$ 9,063 | \$ 8,328 |

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2021 and 2020

Note 5 - Continued

During the year ended September 30, 2021, the Foundation received approximately 84,000 books, used or distributed approximately 43,000 books, and has approximately 249,000 books in ending inventory. During the year ended September 30, 2020, the Foundation received approximately 148,000 books and used or distributed approximately 148,000 books with approximately 207,000 books in ending inventory. All books were used in or distributed by the Foundation's overseas offices throughout Asia. Approximately 83% and 81% of gifts-in-kind revenue was from three donors at September 30, 2021 and 2020, respectively.

Other donated goods and services generally consist of publishing, advertising and transportation services and their fair value is based on estimated retail values on the date received. Other donated goods and services received totaled \$94,000 and \$182,000 for the years ended September 30, 2021 and 2020, respectively.

Note 6 - 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 and liabilities measured at fair value on a recurring basis. There have been no changes in the methodologies used at September 30, 2021 and 2020.

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.

Accrued Post-Retirement Benefit Obligation - Valued based on actuarial models using observable trends and actual claims, discounted to present value.

THE ASIA FOUNDATION

Notes to Financial Statements
For the Years Ended September 30, 2021 and 2020

Note 6 - Continued

Assets and liabilities recorded at fair value on a recurring basis were as follows at September 30, 2021:

| | In Thousands | | | Total |
|---|------------------|---------------|---------------|------------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets at Fair Value on a Recurring Basis: | | | | |
| Mutual funds- | | | | |
| Equity - large cap U.S. | \$ 6,268 | \$ - | \$ - | \$ 6,268 |
| Equity - small/mid cap U.S. | 665 | | | 665 |
| Equity - international | 5,041 | | | 5,041 |
| Fixed income | 4,737 | | | 4,737 |
| Fixed income - global | 1,156 | | | 1,156 |
| Total mutual funds | 17,867 | | | 17,867 |
| Equity securities- | | | | |
| Technology | 155 | | | 155 |
| Energy | 33 | | | 33 |
| Consumer cyclical | 124 | | | 124 |
| Basic materials | 7 | | | 7 |
| Industrials | 96 | | | 96 |
| Communication services | 26 | | | 26 |
| Healthcare | 186 | | | 186 |
| Financial services | 62 | | | 62 |
| Total equity securities | 689 | | | 689 |
| Beneficial interest in charitable remainder trust | | | 257 | 257 |
| Total Assets at Fair Value on a Recurring Basis | \$ 18,556 | \$ - | \$ 257 | \$ 18,813 |
| Liabilities at Fair Value on a Recurring Basis: | | | | |
| Post-retirement benefit obligation | \$ - | \$ 150 | \$ - | \$ 150 |
| Total Liabilities at Fair Value on a Recurring Basis | \$ - | \$ 150 | \$ - | \$ 150 |

THE ASIA FOUNDATION

**Notes to Financial Statements
For the Years Ended September 30, 2021 and 2020**

Note 6 - Continued

Assets and liabilities at fair value on a recurring basis were as follows at September 30, 2020:

| | In Thousands | | | |
|---|-------------------------|----------------------|----------------------|-------------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets at Fair Value on a Recurring Basis: | | | | |
| Mutual funds- | | | | |
| Equity - large cap U.S. | \$ 5,309 | \$ - | \$ - | \$ 5,309 |
| Equity - small/mid cap U.S. | 527 | | | 527 |
| Equity - international | 4,596 | | | 4,596 |
| Fixed income | 3,282 | | | 3,282 |
| Fixed income - global | 1,283 | | | 1,283 |
| | <u>14,997</u> | | | <u>14,997</u> |
| Total mutual funds | 14,997 | | | 14,997 |
| Equity securities- | | | | |
| Technology | 133 | | | 133 |
| Energy | 4 | | | 4 |
| Consumer cyclical | 89 | | | 89 |
| Industrials | 70 | | | 70 |
| Communication services | 50 | | | 50 |
| Healthcare | 195 | | | 195 |
| Financial services | 35 | | | 35 |
| | <u>576</u> | | | <u>576</u> |
| Total equity securities | 576 | | | 576 |
| Beneficial interest in charitable remainder trust | | | 171 | 171 |
| | <u>15,573</u> | <u>\$ -</u> | <u>\$ 171</u> | <u>\$ 15,744</u> |
| Total Assets at Fair Value on a Recurring Basis | <u>\$ 15,573</u> | <u>\$ -</u> | <u>\$ 171</u> | <u>\$ 15,744</u> |
| Liabilities at Fair Value on a Recurring Basis: | | | | |
| Post-retirement benefit obligation | \$ - | \$ 497 | \$ - | \$ 497 |
| | <u>-</u> | <u>497</u> | <u>-</u> | <u>497</u> |
| Total Liabilities at Fair Value on a Recurring Basis | <u>\$ -</u> | <u>\$ 497</u> | <u>\$ -</u> | <u>\$ 497</u> |

There were no purchases, sales or transfers of assets reported as Level 3 during the years ended September 30, 2021 and 2020.

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2021 and 2020

Note 6 - Continued

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

| | In Thousands | |
|-------------------------------|-----------------|-----------------|
| | 2021 | 2020 |
| Interest and dividends | \$ 587 | \$ 419 |
| Realized and unrealized gains | 2,597 | 814 |
| Investment management fees | (72) | (71) |
| Investment Return, Net | \$ 3,112 | \$ 1,162 |

Note 7 - Property and Equipment

Property and equipment consisted of the following at September 30:

| | In Thousands | |
|--|-----------------|-----------------|
| | 2021 | 2020 |
| Furniture and equipment | \$ 2,433 | \$ 2,308 |
| Leasehold improvements | 2,148 | 2,334 |
| Automobiles | 1,481 | 1,481 |
| Capitalized software | 848 | 848 |
| | 6,910 | 6,971 |
| Less accumulated depreciation and amortization | (5,536) | (5,473) |
| Property and Equipment, Net | \$ 1,374 | \$ 1,498 |

As of September 30, 2021 and 2020, \$424,000 and \$291,000, respectively, of property and equipment was not yet placed in service and no depreciation or amortization had been recognized on these items.

Note 8 - Paycheck Protection Program Loan

In early 2020, a novel strain of coronavirus (COVID-19) became prevalent throughout the world. In response to COVID-19, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Included in the CARES Act was the Paycheck Protection Program (PPP) to provide loans through the Small Business Administration (SBA) to qualifying small businesses and not-for-profit organizations to cover certain eligible expenses. On May 8, 2020, the Foundation obtained a loan under the PPP with a principal balance of \$2.135 million and an annual interest rate of 1%. All or a portion of the loan was eligible to be forgiven if certain terms and conditions of the program were met.

The Foundation elected to treat its PPP loan as a conditional grant, and management determined the Foundation had satisfied the conditions for forgiveness by incurring qualified expenses during the covered period as of September 30, 2020. The Foundation recognized grant revenue of \$2.135 million and reduced its cost recovery rate for its grants and contracts accordingly for the year ended September 30, 2020. The PPP loan was formally forgiven in full by the lender and the SBA on June 17, 2021.

THE ASIA FOUNDATION

**Notes to Financial Statements
For the Years Ended September 30, 2021 and 2020**

Note 9 - Pension Plans and Post-Retirement Benefits

The Foundation provides a defined contribution retirement plan for eligible U.S. employees paid by the Foundation under the provisions of Section 403(b) of the IRC. The Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF) is the issuer of the 403(b) plan's annuity contracts and custodian of the plan. Employees are eligible to make salary deferral contributions to the 403(b) plan on their date of hire. Employees are eligible to receive discretionary employer contributions when certain requirements have been met. The Foundation's contributions to the 403(b) plan totaled \$1.313 million and \$1.312 million for the years ended September 30, 2021 and 2020, respectively, and were 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 country 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 \$1 million and \$869,000 for the years ended September 30, 2021 and 2020, 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.

Pension funding requirements are computed by an actuary and are subject to certain actuarial assumptions regarding discount rates and mortality rates. The benefits are computed based on the accrued annual benefit stipulated in the Plan document. The actuarial present value of benefit obligations, funded status and change in benefit obligations computed by the actuary were as follows as of and for the years ended September 30:

| | In Thousands | |
|---|--------------|---------------|
| | 2021 | 2020 |
| Change in benefit obligation- | | |
| Accumulated benefit obligation, beginning of year | \$ 189 | \$ 287 |
| Net periodic cost - interest | (52) | (36) |
| Benefits paid | (42) | (35) |
| Adjustment to unrestricted net assets | (53) | (27) |
| Accumulated benefit obligation, end of year | 42 | 189 |
| Change in plan assets- | | |
| Fair value of plan assets, beginning of year | | |
| Employer contributions | 42 | 35 |
| Benefits and expenses paid | (42) | (35) |
| Fair value of plan assets, end of year | | |
| Accumulated Accrued Pension Liability, End of Year | \$ 42 | \$ 189 |

Unrecognized net gain, included as a deduction from net assets without donor restrictions, for the years ended September 30, 2021 and 2020, totaled \$261,000 and \$313,000 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, 2021 and 2020**

Note 9 - Continued

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

| | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|
| Medical cost increases (trends) for- | | |
| Medical benefits | 5.0% | 5.0% |
| Prescription drug coverage | 5.0% | 5.0% |
| Dental benefits | 4.0% | 4.0% |
| Subsequent year rate of decrease- | | |
| Medical benefits | 0.0% | 0.0% |
| Prescription drug coverage | 0.0% | 0.0% |
| Weighted average discount rate used in determining the accumulated postretirement benefit obligation | 1.59% | 1.24% |

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 Years Ending September 30, | <u>In Thousands</u> |
|------------------------------------|---------------------|
| 2022 | \$ 25 |
| 2023 | 22 |
| 2024 | 19 |
| 2025 | 16 |
| 2026 | 14 |
| Succeeding 5 years | 40 |

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 \$239,000 and \$211,000 at September 30, 2021 and 2020, respectively.

The Foundation sponsors an unqualified 457(b) deferred compensation plan that allows eligible employees to defer a portion of their compensation. Participant accounts, together with accumulated earnings, are 100% vested upon a participant's contribution. The Foundation does not make contributions to this plan.

Note 10 - Net Assets Without Donor Restrictions

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

| | <u>In Thousands</u> | |
|--|-------------------------|-------------------------|
| | <u>2021</u> | <u>2020</u> |
| Undesignated | \$ 9,269 | \$ 4,288 |
| Board designated for long-term investment | 12,065 | 14,411 |
| Board designated for Indonesia operations | 35 | 35 |
| Total Net Assets Without Donor Restrictions | <u>\$ 21,369</u> | <u>\$ 18,734</u> |

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2021 and 2020

Note 10 - Continued

Net assets designated for long-term investment represent the Foundation's operating reserve and funds available for future activities and initiatives. Management does not expect to utilize these funds in the near term; therefore, the reserve is held in an investment portfolio that can be liquidated as needed. Management allocates approximately 5% of the reserve balance each year to be available for operations.

Note 11 - Net Assets With Donor Restrictions

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

| | In Thousands | |
|---|-------------------------|-------------------------|
| | 2021 | 2020 |
| Subject to expenditure for specific purpose or passage of time- | | |
| Books for Asia | \$ 9,063 | \$ 8,339 |
| Restricted purpose projects | 8,012 | 10,724 |
| Accumulated unappropriated endowment earnings to be used for programs and scholarships | 1,515 | 1,156 |
| Beneficial interest in remainder trust | 283 | 171 |
| | <u>18,873</u> | <u>20,390</u> |
| Endowments - donor restricted in perpetuity | <u>4,297</u> | <u>3,597</u> |
| Total Net Assets With Donor Restrictions | <u>\$ 23,170</u> | <u>\$ 23,987</u> |

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

| | In Thousands | |
|--|------------------------|------------------------|
| | 2021 | 2020 |
| Books for Asia | \$ 1,771 | \$ 4,986 |
| Restricted purpose projects | 5,991 | 536 |
| Programs and scholarships | 133 | 5 |
| Total Net Assets With Donor Restrictions Released | <u>\$ 7,895</u> | <u>\$ 5,527</u> |

Note 12 - Endowments

The Foundation's net assets restricted in perpetuity consist of eight 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.

THE ASIA FOUNDATION

Notes to Financial Statements
For the Years Ended September 30, 2021 and 2020

Note 12 - Continued

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, 2019 | \$ 1,015 | \$ 2,972 | \$ 3,987 |
| Endowment investment return, net | 146 | | 146 |
| Contributions to endowments | | 625 | 625 |
| Appropriation of endowment for expenditure | (5) | | (5) |
| Endowment Net Assets, September 30, 2020 | 1,156 | 3,597 | 4,753 |
| Endowment investment return, net | 471 | | 471 |
| Contributions to endowments | | | |
| Reclassifications | 21 | 700 | 721 |
| Appropriation of endowment for expenditure | (133) | | (133) |
| Endowment Net Assets, September 30, 2021 | \$ 1,515 | \$ 4,297 | \$ 5,812 |

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2021 and 2020

Note 12 - 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. When such deficiencies occur, spending from the endowment fund continues in accordance with the Foundation's spending policy. There were no such deficiencies at September 30, 2021 and 2020.

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 13 - Commitments and Contingencies

Operating Leases - The Foundation leases certain office, equipment and warehouse facilities in the United States and other countries in which it works throughout Asia. The various operating leases expire from 2022 through 2025. Future minimum lease payments for noncancelable operating leases are as follows:

| For the Year Ending September 30, | In Thousands |
|-----------------------------------|-----------------|
| 2022 | \$ 1,267 |
| 2023 | 778 |
| 2024 | 157 |
| 2025 | 92 |
| Total | \$ 2,294 |

THE ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2021 and 2020

Note 13 - Continued

Rental expense totaled \$2.78 million and \$2.75 million for the years ended September 30 2021 and 2020, respectively. The Foundation has a lease with escalating rent payments with future annual minimum lease payments increasing from approximately \$667,000 to \$804,000.

Termination Rights - 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 \$4.17 million and \$3.95 million at September 30, 2021 and 2020, respectively, and are included in accounts payable and accrued expenses on the statements of financial position.

Awards - 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.

Conditional Grants - Commitments due by the Foundation under grant agreements to subrecipients for services not yet provided totaled \$18.16 million and \$15.78 million as of September 30, 2021 and 2020, respectively.

Contingencies - 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.

Note 14 - Related Party Transactions

Contributions and pledge payments received from the Foundation's Board of Trustees totaled approximately \$1 million and \$2.1 million for the years ended September 30, 2021 and 2020, respectively.

Note 15 - 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 ASIA FOUNDATION

Notes to Financial Statements For the Years Ended September 30, 2021 and 2020

Note 15 - Continued

The Foundation's financial assets available to meet general expenditures within one year of the statements of financial position are as follows at September 30:

| | In Thousands | |
|--|------------------|------------------|
| | 2021 | 2020 |
| Cash and cash equivalents | \$ 35,163 | \$ 28,219 |
| Accounts receivable, net | 9,032 | 15,533 |
| Pledges receivable, net | 1,028 | 1,154 |
| Investments | 18,813 | 15,744 |
| Total financial assets | 64,036 | 60,650 |
| Contractual and donor-imposed restrictions- | | |
| Pledges due in two to five years, net | (537) | (580) |
| Deferred support beyond one year | (1,317) | (1,698) |
| Restricted purpose projects | (8,012) | (10,724) |
| Restricted for programs and scholarships | (1,515) | (1,156) |
| Beneficial interest in remainder trust | (283) | (171) |
| Restricted in perpetuity | (4,297) | (3,597) |
| Board designated for long-term investment | (12,065) | (14,411) |
| Financial Assets Available to Meet General Expenditures Within One Year | \$ 36,010 | \$ 28,313 |

Note 16 - Subsequent Events

The Foundation has evaluated subsequent events through January 24, 2022, the date on which the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements, nor have any events occurred, the nature of which would require disclosure.

SUPPLEMENTARY INFORMATION

THE ASIA FOUNDATION

Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2021

| Nonfederal Grantor/Program Title | Country | Award Number | Expenditures |
|---|----------------|--------------------------------|------------------|
| Multilateral Awards: | | | |
| Asian Development Bank- | | | |
| Mongolia: Strengthening the Anticorruption Regime | Mongolia | 152173-S53501 | \$ 59,472 |
| Digital Solutions for Livable Asian Cities Forum | Programs | | 1,013 |
| Strengthening Women's Resilience to Climate Change and Disaster Risk in Asia and Pacific | Mongolia | 137085-S53164 | <u>8</u> |
| Total Asian Development Bank | | | 60,493 |
| British Council - Sri Lanka- | | | |
| Supporting Effective Dispute Resolution in Sri Lanka | Sri Lanka | | 111,251 |
| Development Officer (Mediation) Induction Training Program | Sri Lanka | | <u>20,584</u> |
| Total British Council - Sri Lanka | | | 131,835 |
| Centre for Peace and Conflict Studies- | | | |
| Foundations for Future Peace in Southern Thailand | Thailand | ICSP/2019/410-000 | <u>169,346</u> |
| Total Centre for Peace and Conflict Studies | | | 169,346 |
| 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>(10,153)</u> |
| Total European Commission | | | (10,153) |
| European Union- | | | |
| Promoting Regional Cooperation Capacity of MoFA (PRCC-MoFAO Project - Phase II) | Afghanistan | ACA/2017/386-784 | 847,411 |
| Justice Sector Responsibility and Accountability to Redress SGBV | Sri Lanka | EIDHR/2017/389-234 | 53,625 |
| SoAsia Reg Awareness COVID | Pakistan | ICSP/2020/417-844 | <u>848,003</u> |
| Total European Union | | | 1,749,039 |
| ICLEI East Asia Secretariat | | | |
| Studying Plastic and Food Waste Systems in Ulaanbaatar - Prefeasible Study | Mongolia | | <u>6,000</u> |
| Total ICLEI | | | 6,000 |
| International Labour Office- | | | |
| Sunaulo Mauka - Phase III | Nepal | 40295264/0 (NPL/17/01/GBR) | <u>(2,895)</u> |
| Total International Labour Office | | | (2,895) |
| Ministry of Rural Rehabilitation and Development- | | | |
| Booster Survey 2021 | Afghanistan | MRRD CCAP CN-327 ARTF TFA03827 | <u>114,094</u> |
| Total Ministry of Rural Rehabilitation and Development | | | 114,094 |
| The World Bank- | | | |
| Promoting Development and At-Home Reading for Young Readers | Cambodia | 7200462 | 150,000 |
| Conflict Monitoring in Nepal | Nepal | 7195484 | |
| Local Development Support Project | Sri Lanka | 7199859 | <u>247,273</u> |
| Total The World Bank | | | 397,273 |
| 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 | Mongolia | DA/LOA/2019-0014 | 199 |
| Integrating the Sustainable Development Goals into Local Action in Support of the Implementation of the 2030 Agenda in Asia and the Pacific | Mongolia | DA/LOA/2020-0012 | <u>42,471</u> |
| Total United Nations Economic and Social Council | | | 42,670 |
| United Nations Environment Programme- | | | |
| Delivering Integrated Waste Solutions at the National and Local Level | Mongolia | BP No.: 1500007846 | 2,003 |
| Waste and Climate Change Project | Mongolia | DTIE20-IE003 | 129,025 |
| Waste and Climate Change Project (WCC IV) | Mongolia | DTIE21-IE002 | <u>21,126</u> |
| Total United Nations Environment Programme | | | 152,154 |
| United Nations Development Programme- | | | |
| Diagnostic Study on Local Government Institutions and Finances and Capacity Needs | Sri Lanka | COL/CDLG/118837/001/01A | 28,423 |
| National Land Transport Policy | Cambodia | Contract #358 | <u>4,000</u> |
| Total United Nations Development Programme | | | 32,423 |
| United Nations Children's Fund- | | | |
| Enhancing Child Protection System to Keep Filipino Children Safe Online | Philippines | PHI/PCA201946 | <u>480,003</u> |
| Total United Nations Children's Fund | | | 480,003 |
| United Nations Educational Programme- | | | |
| Reconstructing Masculinity Research | India | Contract 4500418012 | 25,285 |
| Funding to Strengthen GPE's Global and Regional Response to the COVID-19 Pandemic | Books for Asia | 4500436269 | <u>162,150</u> |
| Total United Nations Educational Programme | | | 187,435 |
| Total Multilateral Awards | | | 3,509,717 |

See independent auditor's report.

THE ASIA FOUNDATION

Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2021

| Nonfederal Grantor/Program Title | Country | Award Number | Expenditures |
|--|--|--|--|
| Bilateral Awards: | | | |
| Australian Department of Foreign Affairs and Trade (AusDFAT, formerly AusAID)- Strategic Partnership on Subnational Governance in Nepal | Nepal | 72580/4 | 1,861,364 |
| Ending Violence Against Women in Timor-Leste | Timor - Leste | 69943 | 3,233,184 |
| PNPM Peduli Phase II: National Program for Community Empowerment | Indonesia | 70009 | 1,156,831 |
| Coalitions for Change Program Phase 2 | Philippines | 74632 | 2,914,493 |
| Strengthened Access to Justice for Women Affected by Violence Through Proven Culturally Sensitive Approaches 2 (A2J-II) | Afghanistan | 74074 | 1,203,546 |
| Cohesion, Advocacy, Resilience and Expansive Engagement (CARE) for Peace in the Philippines | Philippines | 73672 | 31,448 |
| Ponlok Chomnes: Data and Dialogue for Development | Cambodia | 72580/19 | 561,442 |
| Adhika Para sa Katarungan | Philippines | 72580/11 | 522,417 |
| ASEAN - Australia Strategic Partnership: ACTIP Implementation | Thailand | 72580/13 | 157,992 |
| Sustainable Development Investment Portfolio Phase 2 (SDIP Phase 2) | India | 72580/3 | (9,498) |
| Sri Lanka Sub National Governance Project | Sri Lanka | 71894 | 1,681 |
| AMIC Program Initiative: Support for Australian Engagement in Malaysia and Thailand | Programs | 72580/31 | 671,919 |
| Supporting Local Government Units in Preventing Violent Extremism in Mindanao | Philippines | 75050 | 283,382 |
| Strengthening the Australia-ASEAN Partnership: Regional Capacity Building and Policy Dialogues | Thailand | 72580/23 | 335,377 |
| DFAT-TAF Partnership - Responding to Change: Supporting Australian Engagement in the Indo-Pacific | Programs | 72281/21 72580 | 468,622 |
| Australia-Thailand Middle Income Initiatives: Improving Competitiveness Through Functional Literacy and Responsive Policy Engagement | Thailand | 72580/17 | 15,744 |
| Institutionalizing the Survey of the Afghan People | Afghanistan | 73472 | 165,473 |
| Public Accountability Through Court Transformation (PACT) | Philippines | 75032 | 233,555 |
| Knowledge for Prevention: Data and Analysis on the State of Violence in Asia | Thailand | 72580/24 | 106,683 |
| Southeast Asia Civil Society Scoping | Vietnam | 72580/18 | 60 |
| 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 | 468 |
| Survey of the Afghan People (SAP) | Afghanistan | 72580/29 | 10,881 |
| Shaping the Future of Mekong Regional Architecture | Thailand | 72580/22 | 93,865 |
| Expand Community-based Leadership & Civilian-Govt Partnership to Prevent Violent Extremism in Sabah | Malaysia | 19/23895#7 | 5,240 |
| Gender-Sensitive Corporate Responsibilities Among Chinese Textile Investors in Cambodia | China | 72281 72580/12 | 5,912 |
| Technical Cyber Security and Incident and Network Management Training | Program Specialists - SF | 72580/14 72281 | 8,196 |
| Cohesion, Advocacy, Resilience and Expansive Engagement (CARE) for Peace in the Philippines 2 | Philippines | 76206 | 598,510 |
| Reclaiming Civic Space to Promote Democratic Resilience | Indonesia | 76581 | 298,587 |
| Accelerate Women's Entrepreneurship for Peace in Sulu | Philippines | 76603 | 302,026 |
| Sub-National Governance Program Bridging Phase | Nepal | 76659 | 1,372,105 |
| Ponlok Chomnes: Data and Dialogue for Development in Cambodia - Stream 2 | Cambodia | 72580/34 | 439,155 |
| Strengthening Public Resilience to Dis/misinformation in Democratic Process Indonesia | Indonesia | | 29,506 |
| Increasing the Resilience of Mongolian Women Entrepreneurs to Challenges Posed by the COVID-19 Pandemic | Mongolia | 72580/35 | 40,574 |
| Australia-Thailand Economic Engagement Strategy Scoping Study | Thailand | BKOK-052021 | 26,499 |
| AG Survey 2021-2025 | Afghanistan | 76700 CR 31958 | 2,141 |
| Better Economic Decision-making in Lao PDR - Australia Mekong Partnership Economic Governance | Laos | 72580/36 | 34,489 |
| Australia Thailand Economic Resilience Partnership (ATERP) | Thailand | 72580/37 | 33,233 |
| Mekong Australia Partnership for Infrastructure Development Safeguards | Thailand | 72580/38 | 75,608 |
| COVID-19 Emergency Response for Nepal (Education Support Program) | Nepal | 76986 | 52,459 |
| Total Australian Department of Foreign Affairs and Trade (AusDFAT, formerly AusAID) | | | 17,345,169 |
| Australian Volunteers International- Developing guidance for COVID-19 Prevention and Control in Local School in Ulaanbaatar, Mongolia | Mongolia | AVPIF156 | 137 |
| Total Australian Volunteers International | | | 137 |
| British Embassy, Kabul- Institutionalizing the Survey of the Afghan People 2016-2021 | Afghanistan | 300041 | 166,002 |
| Total British Embassy | | | 166,002 |
| CARDNO- AIPJ 2 - Strengthening Prison Reform in Indonesian (Prison Reform Phase IV) Emerging Leaders for Public Policy in Timor-Leste Project (LEAP Project) Training Module for the My-EQIP Program, Myanmar Proposed Learning Journey Implementation of Interim Lederanca Emergente Apoiu Politika-2 (LEAP2) | Indonesia Timor - Leste Vietnam Timor - Leste | AC46900/AIPJ2/TAF/GN ACN 006-170-869 75280/32 TAF_GfD TP-01 | 493,680 404,742 15,182 19,636 |
| Total CARDNO | | | 933,240 |

See independent auditor's report.

THE ASIA FOUNDATION

**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)
For the Year Ended September 30, 2021**

| Nonfederal Grantor/Program Title | Country | Award Number | Expenditures |
|--|----------------------------|--------------------------------------|--------------------|
| Bilateral Awards (Continued): | | | |
| Climate and Land Use Alliance- Promoting Ecological Fiscal Transfer Schemes through Provincial and District Government Associations | Indonesia | G-2003-56769 | 79,815 |
| Total Climate and Land Use Alliance | | | 79,815 |
| Conciliation Resources- Implementation Phase of the Smart Peace Project | Myanmar | DFID: 300055-108 | (794,261) |
| Total Conciliation Resources | | | (794,261) |
| Cowater International Inc- Improving Legal Aid Services for Women Survivors of GBV (Phase 2) (ACCESS GBV Phase 2) | Cambodia | Cowater Prime | 15,185 |
| Total Cowater International Inc | | | 15,185 |
| Cowater Sogema- Australia-Cambodia Cooperation for Equitable Sustainable Services (ACCESS) | Cambodia | 1240-ACCESS-PPA-009 | 109,607 |
| Total Cowater Sogema | | | 109,607 |
| Development Alternatives- Growth With Equity in Myanmar Programme (GEM) | Myanmar | | 182,628 |
| Total Development Alternatives | | | 182,628 |
| DT Global Australia- Laos eCommerce Development Initiative DFAT's E-Commerce Aid for Trade Fund | Laos Vietnam | IRF Grant# OTN03 IRF Grant# OTN04 | 154,758 125,143 |
| Total DT Global Australia | | | 279,901 |
| Deutsche Gesellschaft fur Internationale Zusammenarbeit- Bridging the Gap Between Informal and Formal Justice Promotion of Employment for Marginalized Groups/Partnership for Sustainable Agroforestry (PSAF) | Afghanistan Timor-Leste | 81228295 81242807 | 105,378 (2,688) |
| Improving Mental Health and Psychosocial Support Services Associated with Consolidating Transitional Justice (IMPACT) | Sri Lanka | 81232721 | (778) |
| Cofinancing SAP 2019-2020 | Afghanistan | 81243442 CR 31958 | 149,642 |
| GIZ - North Booster Survey 2018 | Afghanistan | 81227216 | (2,470) |
| Study and Expert Fonds: Reducing COVID Related Stress Factors for Vulnerable Women and Families in the North and East of Sri Lanka (IMPACT -PII) | Sri Lanka | 81260794 | 116,597 |
| Total Deutsche Gesellschaft fur Internationale Zusammenarbeit | | | 365,681 |
| Embassy of Canada- CFLI-2 Building Business Resilience | Timor - Leste | CFLI-2019-JKRTA-TL-0009 | 56,395 |
| Total Embassy of Canada | | | 56,395 |
| Ernst & Young- South East Asia Infrastructure and Economic Governance Facility (SEAEGIF): Partnerships for Infrastructure (P4i) | Program Specialists - SF | E&Y Prime Contract#: 76501 | 500,487 |
| Total Ernst & Young | | | 500,487 |
| UK Foreign, Commonwealth and Development Office (UK FCDO)- Accountable and Inclusive States and Regions (AISR) | Myanmar | 203996-107 PO 40117844 | 1,075,702 |
| Investing to Community Security; Associated With Framework Agreement | Myanmar | CPG/1265/2016 | 528,861 |
| Economic Growth, Infrastructure, and the Environment: Finding the Balance | Indonesia | 300185-102 | 787,631 |
| Improving Public Financial Management and Accountability in Nepal, Phase II (PFMA2) | Nepal | 300006 | 474,026 |
| Data for Development Program Phase 2 | Nepal | 203385-103 | 655,349 |
| Independent Impacts and Recovery Monitoring Project (IRM) - Phase 3 | Nepal | 203385-103 | 17,659 |
| Researching Border Conflicts Through Local Networks | Thailand | 300100 | 1,445,349 |
| CSSF Sri Lanka: UK Support for the Implementation of Community Policing | Sri Lanka | CPG/2204/2019 | 543,729 |
| Strengthening and Promoting Active Citizenship in Bangladesh (SPACB) | Bangladesh | 203487-106 | 556,872 |
| Myanmar Eastern Borderlands Research | Myanmar | | 193,882 |
| Promoting Public Participation in Bangsamoro Governance (Beyond Bangsamoro) | Philippines | | 159,920 |
| Activate Bangsamoro: Promoting Active Citizen Engagement with the BARMM Parliament | Philippines | | 313,610 |
| SETAPAK 3 - Improving Governance and Civil Society Engagement to Prevent Deforestation and Land Degradation in Indonesia | Indonesia | 95F25DF2-3641-474F-AD00-78D47 | 277,258 |
| Asian Voices on Myanmar's Political and Humanitarian Crisis-Phase one | Program Specialists - TH | | 11,375 |
| Total UK FCDO | | | 7,041,223 |

See independent auditor's report.

THE ASIA FOUNDATION

Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2021

| Nonfederal Grantor/Program Title | Country | Award Number | Expenditures |
|--|--------------------------|------------------------------|----------------|
| Bilateral Awards (Continued): | | | |
| Global Affairs Canada- | | | |
| Women's Voice and Leadership - Afghanistan | Afghanistan | PO 7400726; Prj Num: P002744 | 985,161 |
| Women's Voice and Leadership - Sri Lanka | Sri Lanka | PO 7398950 Proj Num P002677 | 334,608 |
| Women's Economic Empowerment | Mongolia | P006469 PO 7418774 | 396,674 |
| Strengthening Social Cohesion in Sri Lanka | Sri Lanka | 20-051 | <u>87,945</u> |
| Total Global Affairs Canada | | | 1,804,388 |
| International Development Enterprises- | | | |
| Women's Economic Empowerment Through Strengthening Market Systems | Bangladesh | SIDA ID 52170023 | <u>466,313</u> |
| Total International Development Enterprises | | | 466,313 |
| Korea Development Institute- | | | |
| International Development Cooperation Capacity Building Program 2019 | Korea, South | | (4,193) |
| International Development Cooperation Capacity Building Program 2020 | Korea, South | | <u>163,875</u> |
| Total Korea Development Institute | | | 159,682 |
| Korea International Development Corporation Centre- | | | |
| ODA Project Implementing Organization Youth Internship | Korea, South | | <u>18,905</u> |
| Total Korea International Development Corporation Centre | | | 18,905 |
| Korea International Cooperation Agency- | | | |
| The Mongolia Women's Business Center: Women Entrepreneurs' Business Capacity Building and Startup Incubation Program | Mongolia | Control# 2018-0099 | 34,986 |
| Making Cities Safe for Women in India (KOICA's Innovative Partnership Solution (IPS) Program) | India | | <u>(4,203)</u> |
| Total Korea International Cooperation Agency | | | 30,783 |
| Ministry of Gender Equality- | | | |
| Prevention of Violence Against Women (VAW) in Mongolia | Korea, South | | 26,143 |
| 2021 Prevention of Violence Against Women (VAW) in Mongolia | Korea, South | | <u>102,304</u> |
| Total Ministry of Gender Equality | | | 128,447 |
| Multiple Funders- | | | |
| Institutionalizing the Survey of the Afghan People 2016-2021 | Afghanistan | 31959 31960 31961 | <u>433,800</u> |
| Total Multiple Funders | | | 433,800 |
| Netherlands Embassy in Jakarta- | | | |
| Enhancing Religious Freedom Protection and Human Rights | Indonesia | 4000002072 | <u>403,138</u> |
| Total Netherlands Embassy in Jakarta | | | 403,138 |
| New Zealand Embassy- | | | |
| Timor-Leste Community Policing Support Programme (CPSP) | Timor - Leste | CT File: GRA-560-5 | 902,789 |
| Timor-Leste Tourism Development Activity Phase 2 (2019-2024) | Timor - Leste | File Ref: WPG-0101849 | 595,665 |
| Promoting the Transparent and Accountable Management of Local Fund in Cambodia | Cambodia | WPG-0102266; DOC-4062782 | 147,357 |
| LAO: Legislative Development Support to the Institute of Legislative Studies | Laos | WFG-0102243;DOC-4062530 | 176,936 |
| Understanding COVID-19 Impacts on MSMEs and Workers in Vulnerable Sectors in Cambodia | Cambodia | | 3,487 |
| Understanding COVID-19 Impacts on MSMEs and Workers in Vulnerable Sectors in Lao PDR | Laos | | 13,786 |
| Human rights promotion and advocacy support in the Philippines (HR-PAS) | Philippines | WPG-0102435 | 211,479 |
| Timor-Leste Flood Response (Flood Relief) | Timor - Leste | ACT-0102521, WPG-0102864 | <u>50,000</u> |
| Total New Zealand Embassy | | | 2,101,499 |
| New Zealand Ministry of Foreign Affairs- | | | |
| Workshops by TAF to Address Violent Extremism Online | Philippines | GSF 19/518 | (202) |
| Technical Cyber Security and Incident and Network Management Training | Program Specialists - SF | under NZ APEC 2018 Fund | 40,394 |
| PASK - Programa Apoio Seguransa Komunidade | Timor - Leste | Ref WPG-0103027-DOC-4093073 | <u>34,406</u> |
| Total New Zealand Ministry of Foreign Affairs | | | 74,598 |

THE ASIA FOUNDATION

Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2021

| Nonfederal Grantor/Program Title | Country | Award Number | Expenditures |
|--|---|----------------------------------|---|
| Bilateral Awards (Continued): | | | |
| Palladium Group- Financial Inclusion and Economic Empowerment for the Low-Income Population and Women in Vietnam Phase II | Vietnam | Service order 1 Deed 65670 | <u>119,294</u> |
| Total Palladium Group | | | 119,294 |
| Pure Earth- Sustainable Manufacturing and Environmental Pollution (SMEP) Intervention, Stage 1 (MEP) | Bangladesh | FCDO Funded; PE (Prime) | <u>28,000</u> |
| Total Pure Earth | | | 28,000 |
| Royal Netherlands Embassy- Engaging Employers to Address Domestic Violence in China | China | 400001426 | <u>11,878</u> |
| Total Royal Netherlands Embassy | | | 11,878 |
| Scope Global Pty Ltd- Logistic Support to Australian Alumni Association in Kabul | Afghanistan | AusDFAT Agreement No: 71010 | <u>(19)</u> |
| Total Scope Global Pty Ltd | | | (19) |
| State Secretariat for Economic Affairs- Validation Study Swiss Urban Development Program Vietnam | Vietnam | 945004424; 947003388 | <u>49,804</u> |
| Total State Secretariat for Eco | | | 49,804 |
| Swiss Agency for Development and Cooperation- Urban Governance Project Exit Phase Strengthening and Promoting Active Citizenship in Bangladesh under the Election Support MYA: General Administration Department (GAD) Study Tour | Mongolia Bangladesh Myanmar | 81062600 81056092 81061715 | <u>703,288</u> <u>3,073</u> <u>12,829</u> |
| Total Swiss Agency for Development and Cooperation | | | 719,190 |
| Swiss Federal Department- Analysis of Prospective Engagement with ASEAN | Thailand | Contract no. 81066983 | <u>37,579</u> |
| Total Swiss Federal Department | | | 37,579 |
| Australian Water Partnership- Thinking and Working Politically Workshops Political Economy of Water Management and Community Perceptions in the Pacific Islands | Program Specialists - TH Pacific Islands | 662097.45 662039.87 | <u>19,500</u> <u>15,706</u> |
| Total The Australian Water Part | | | 35,206 |
| The Banco Central de TL- To conduct the Financial Services Demand Side Survey 2020 (BCTL DSS) | Timor - Leste | | <u>30,000</u> |
| Total The Banco Central de TL | | | <u>30,000</u> |
| Total Bilateral Awards | | | <u>32,933,694</u> |
| Total Multilateral and Bilateral Awards | | | <u>\$ 36,443,411</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.

Funds from certain nonfederal grantors are classified as bilateral awards, as the funding received originated from other governments as reflected in the award agreements with the Foundation.

See independent auditor's report.