



Financial Statements

For the Years Ended September 30, 2020 and 2019

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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, 2020 and 2019, 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.



T: 425-454-4919  
T: 800-504-8747  
F: 425-454-4620

10900 NE 4th St  
Suite 1400  
Bellevue WA  
98004

[clarknuber.com](http://clarknuber.com)

## **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, 2020 and 2019, 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.

## **Effect of Adopting New Accounting Standard**

As discussed in Note 2, the Foundation adopted the Financial Accounting Standards Board's Accounting Standards Update ("ASU") 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* as of and for the year ended September 30, 2020. 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 26 through 31 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 February 2, 2021, 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  
February 2, 2021

**THE ASIA FOUNDATION**

**Statements of Financial Position  
September 30, 2020 and 2019  
(In Thousands)**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 28,219	\$ 23,822
Accounts receivable, net	15,533	17,276
Pledges receivable, net	1,154	683
Books for Asia inventory	8,328	8,411
Prepaid expenses and other assets	2,702	2,831
Investments	15,744	14,542
Property and equipment, net	<u>1,498</u>	<u>1,553</u>
<b>Total Assets</b>	<b><u>\$ 73,178</u></b>	<b><u>\$ 69,118</u></b>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 8,800	\$ 10,245
Deferred support	21,160	25,721
Accrued post-retirement benefit obligation	<u>497</u>	<u>525</u>
<b>Total Liabilities</b>	<b>30,457</b>	<b>36,491</b>
<b>Net Assets:</b>		
Without donor restrictions	18,734	17,491
With donor restrictions	<u>23,987</u>	<u>15,136</u>
<b>Total Net Assets</b>	<b><u>42,721</u></b>	<b><u>32,627</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 73,178</u></b>	<b><u>\$ 69,118</u></b>

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	
<b>Support and Revenue:</b>										
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 and reclassifications	541	4,986		5,527	(536)	(4,986)	(5)		(5,527)	
<b>Total support</b>	<b>92,380</b>	<b>4,986</b>		<b>97,366</b>	<b>8,168</b>	<b>(83)</b>	<b>(5)</b>	<b>625</b>	<b>8,705</b>	<b>106,071</b>
Revenue-										
Investment return, net and other	(228)		1,078	850			146		146	996
<b>Total Support and Revenue</b>	<b>92,152</b>	<b>4,986</b>	<b>1,078</b>	<b>98,216</b>	<b>8,168</b>	<b>(83)</b>	<b>141</b>	<b>625</b>	<b>8,851</b>	<b>107,067</b>
<b>Expenses:</b>										
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
<b>Total Expenses</b>	<b>91,987</b>	<b>4,986</b>		<b>96,973</b>						<b>96,973</b>
<b>Change in Net Assets</b>	<b>165</b>		<b>1,078</b>	<b>1,243</b>	<b>8,168</b>	<b>(83)</b>	<b>141</b>	<b>625</b>	<b>8,851</b>	<b>10,094</b>
Net assets, beginning of year	4,593		12,898	17,491	2,666	8,422	1,076	2,972	15,136	32,627
<b>Net Assets, End of Year</b>	<b>\$ 4,758</b>	<b>\$ -</b>	<b>\$ 13,976</b>	<b>\$ 18,734</b>	<b>\$ 10,834</b>	<b>\$ 8,339</b>	<b>\$ 1,217</b>	<b>\$ 3,597</b>	<b>\$ 23,987</b>	<b>\$ 42,721</b>

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	
<b>Support and Revenue:</b>										
Support-										
Government, bilateral and multilateral institutions	\$ 91,838	\$ -	\$ -	\$ 91,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,838
Foundations, corporations and individuals	4,928			4,928	319				319	5,247
Books for Asia program						7,543			7,543	7,543
Net assets released from restriction and reclassifications	89	7,308		7,397	(69)	(7,308)	(20)		(7,397)	
<b>Total support</b>	<b>96,855</b>	<b>7,308</b>		<b>104,163</b>	<b>250</b>	<b>235</b>	<b>(20)</b>		<b>465</b>	<b>104,628</b>
Revenue-										
Investment return, net and other	252		308	560			73		73	633
<b>Total Support and Revenue</b>	<b>97,107</b>	<b>7,308</b>	<b>308</b>	<b>104,723</b>	<b>250</b>	<b>235</b>	<b>53</b>		<b>538</b>	<b>105,261</b>
<b>Expenses:</b>										
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
<b>Total Expenses</b>	<b>98,261</b>	<b>7,308</b>		<b>105,569</b>						<b>105,569</b>
<b>Change in Net Assets</b>	<b>(1,154)</b>		<b>308</b>	<b>(846)</b>	<b>250</b>	<b>235</b>	<b>53</b>		<b>538</b>	<b>(308)</b>
Net assets, beginning of year	5,747		12,590	18,337	2,416	8,187	1,023	2,972	14,598	32,935
<b>Net Assets, End of Year</b>	<b>\$ 4,593</b>	<b>\$ -</b>	<b>\$ 12,898</b>	<b>\$ 17,491</b>	<b>\$ 2,666</b>	<b>\$ 8,422</b>	<b>\$ 1,076</b>	<b>\$ 2,972</b>	<b>\$ 15,136</b>	<b>\$ 32,627</b>

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
	<u>78,612</u>	<u>12,534</u>	<u>509</u>	<u>91,655</u>
Books for Asia book distribution	4,986			4,986
Other in-kind			332	332
<b>Total Expenses</b>	<b><u>\$ 83,598</u></b>	<b><u>\$ 12,534</u></b>	<b><u>\$ 841</u></b>	<b><u>\$ 96,973</u></b>

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
<b>Total Expenses</b>	<b><u>\$ 92,183</u></b>	<b><u>\$ 12,495</u></b>	<b><u>\$ 891</u></b>	<b><u>\$ 105,569</u></b>

See accompanying notes.

**THE ASIA FOUNDATION**

**Statements of Cash Flows  
For the Years Ended September 30, 2020 and 2019  
(In Thousands)**

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 10,094	\$ (308)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities-		
Noncash activity included in change in net assets:		
Depreciation and amortization	462	510
Realized and unrealized (gain) loss on investments	(814)	134
Loss (gain) on disposal of property and equipment	2	(1)
Accrued post-retirement benefit obligation	(28)	(33)
Gifts-in-kind contributions for Books for Asia program	(4,903)	(7,543)
Distribution of books for Books for Asia program	4,986	7,308
Contributions to endowment	(625)	
Changes in assets and liabilities:		
Accounts receivable	1,743	(5,966)
Pledges receivable	(471)	326
Prepaid expenses and other assets	129	102
Accounts payable and accrued expenses	(1,445)	2,573
Deferred support	(4,561)	1,376
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>4,569</b>	<b>(1,522)</b>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from the sale of investments	4,301	5,221
Purchases of investments	(4,689)	(5,123)
Proceeds from the sale of property and equipment	25	48
Purchases of property and equipment	(434)	(472)
<b>Net Cash Used by Investing Activities</b>	<b>(797)</b>	<b>(326)</b>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from contributions to endowment	625	
<b>Net Cash Provided by Financing Activities</b>	<b>625</b>	
<b>Net Change in Cash and Cash Equivalents</b>	<b>4,397</b>	<b>(1,848)</b>
Cash and cash equivalents, beginning of year	23,822	25,670
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 28,219</b>	<b>\$ 23,822</b>

See accompanying notes.

## THE ASIA FOUNDATION

### Notes to Financial Statements For the Years Ended September 30, 2020 and 2019 (Amounts are Reported in Thousands)

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#### 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 class 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, 2020 and 2019 (Amounts are Reported in Thousands)

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#### 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, 2020 and 2019.

**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 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, 2020 and 2019.

**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 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.

**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.

## THE ASIA FOUNDATION

### Notes to Financial Statements For the Years Ended September 30, 2020 and 2019 (Amounts are Reported in Thousands)

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#### Note 2 - Continued

**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.

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

**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 substantially 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 \$44,000 as of September 30, 2020 and are expected to be recognized as revenue over the next five years. 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 from exchange transactions are recognized as revenue in the period the service is performed.

**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, 2020 and 2019, the Foundation held approximately \$4,231 and \$2,659 in foreign countries, of which \$2,480 and \$1,205 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 40% and 49% of the Foundation's total accounts receivable at September 30, 2020 and 2019, respectively. Revenue from awards and contracts from the U.S. Government provided 40% and 48% of the Foundation's total support for the years ended September 30, 2020 and 2019, 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 12% and 14% of the Foundation's total accounts receivable at September 30, 2020 and 2019, respectively. Revenue from this Congressional appropriation provided 16% and 18% of the Foundation's total support for the years ended September 30, 2020 and 2019, respectively.

Receivables for awards from two multilateral development agencies represented 22% of the Foundation's total accounts receivable at September 30, 2020, and awards from one multilateral development agency represented 18% of the Foundation's total accounts receivable at September 30, 2019. Revenue from awards from one bilateral development agency provided 20% and 23% of the Foundation's total support for the years ended September 30, 2020 and 2019, respectively.

## THE ASIA FOUNDATION

### Notes to Financial Statements For the Years Ended September 30, 2020 and 2019 (Amounts are Reported in Thousands)

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#### Note 2 - Continued

Approximately 67% and 49% of pledges receivable were due from two and three individual donors at September 30, 2020 and 2019, 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 \$10 and gains totaled \$11, for the years ended September 30, 2020 and 2019, respectively.

**Special Events** - Special events held during the years ended September 30, 2020 and 2019 resulted in gross receipts of approximately \$875 and \$958, 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 \$191 and \$114 during the years ended September 30, 2020 and 2019, 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.

## THE ASIA FOUNDATION

### Notes to Financial Statements For the Years Ended September 30, 2020 and 2019 (Amounts are Reported in Thousands)

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#### Note 2 - Continued

**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. As a result of the adoption of this ASU, 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 elected to adopt the changes from this ASU prospectively in fiscal year 2020 for contributions received, and accordingly, no changes have been made to balances reported in the 2019 financial statements. The Foundation will adopt the changes from this ASU for grants awarded to other organizations prospectively during the year ended September 30, 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, 2020 and 2019.

Program receivables were as follows at September 30:

	In Thousands	
	2020	2019
Billed	\$ 8,977	\$ 3,266
Unbilled	5,990	12,134
<b>Total Program Receivables</b>	<b>\$ 14,967</b>	<b>\$ 15,400</b>

#### Note 4 - Pledges Receivable

Pledges receivable were due as follows at September 30:

	In Thousands	
	2020	2019
Pledges due in less than one year	\$ 574	\$ 490
Pledges due in two to five years	605	215
	1,179	705
Less present value discount (0.68%)	(25)	(22)
<b>Total Pledges Receivable</b>	<b>\$ 1,154</b>	<b>\$ 683</b>

## THE ASIA FOUNDATION

### Notes to Financial Statements For the Years Ended September 30, 2020 and 2019 (Amounts are Reported in Thousands)

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#### 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 statement 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	
	2020	2019
Books for Asia inventory, beginning of year	\$ 8,463	\$ 8,227
Donated books and software	4,903	7,543
Books and software used or distributed	(4,986)	(7,308)
Change in allowance	(3)	1
Books for Asia inventory, end of year	8,377	8,463
Allowance	(49)	(52)
<b>Books for Asia inventory, Net</b>	<b>\$ 8,328</b>	<b>\$ 8,411</b>

During the year ended September 30, 2020, the Foundation received approximately 147,500 books, used or distributed approximately 147,250 books, and has approximately 207,000 books in ending inventory. During the year ended September 30, 2019, the Foundation received approximately 189,700 and used or distributed approximately 305,800 books with approximately 206,250 books in ending inventory. All books were used in or distributed by the Foundation's overseas offices throughout Asia. Approximately 81% and 82% of gifts-in-kind revenue was from three donors at September 30, 2020 and 2019, 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 \$182 and \$23 for the years ended September 30, 2020 and 2019, respectively.

## THE ASIA FOUNDATION

### Notes to Financial Statements For the Years Ended September 30, 2020 and 2019 (Amounts are Reported in Thousands)

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#### 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, 2020 and 2019.

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, 2020 and 2019  
(Amounts are Reported in Thousands)**

**Note 6 - Continued**

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

	In Thousands			
	Level 1	Level 2	Level 3	Total
<b>Assets at Fair Value on a Recurring Basis:</b>				
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>
<b>Total Assets at Fair Value on a Recurring Basis</b>	<b><u>\$ 15,573</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 171</u></b>	<b><u>\$ 15,744</u></b>
<b>Liabilities at Fair Value on a Recurring Basis:</b>				
Post-retirement benefit obligation	\$ -	\$ 497	\$ -	\$ 497
	<u>-</u>	<u>497</u>	<u>-</u>	<u>497</u>
<b>Total Liabilities at Fair Value on a Recurring Basis</b>	<b><u>\$ -</u></b>	<b><u>\$ 497</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 497</u></b>

THE ASIA FOUNDATION

Notes to Financial Statements  
For the Years Ended September 30, 2020 and 2019  
(Amounts are Reported in Thousands)

Note 6 - Continued

Assets and liabilities at fair value on a recurring basis were as follows at September 30, 2019:

	In Thousands			Total
	Level 1	Level 2	Level 3	
<b>Assets at Fair Value on a Recurring Basis:</b>				
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
<b>Total Assets at Fair Value on a Recurring Basis</b>	<b>\$ 14,371</b>	<b>\$ -</b>	<b>\$ 171</b>	<b>\$ 14,542</b>
<b>Liabilities at Fair Value on a Recurring Basis:</b>				
Post-retirement benefit obligation	\$ -	\$ 525	\$ -	\$ 525
<b>Total Liabilities at Fair Value on a Recurring Basis</b>	<b>\$ -</b>	<b>\$ 525</b>	<b>\$ -</b>	<b>\$ 525</b>

## THE ASIA FOUNDATION

### Notes to Financial Statements For the Years Ended September 30, 2020 and 2019 (Amounts are Reported in Thousands)

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#### Note 6 - Continued

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

	In Thousands	
	2020	2019
Interest and dividends	\$ 419	\$ 586
Realized and unrealized gains (losses)	814	(134)
Investment management fees	(71)	(71)
<b>Investment Return, Net</b>	<b>\$ 1,162</b>	<b>\$ 381</b>

#### Note 7 - Property and Equipment

Property and equipment consisted of the following at September 30:

	In Thousands	
	2020	2019
Furniture and equipment	\$ 2,308	\$ 2,295
Leasehold improvements	2,334	2,456
Automobiles	1,481	1,492
Capitalized software	848	848
	6,971	7,091
Less accumulated depreciation and amortization	(5,473)	(5,538)
<b>Property and Equipment, Net</b>	<b>\$ 1,498</b>	<b>\$ 1,553</b>

As of September 30, 2020 and 2019, \$291 and \$161, respectively, of property and equipment was not yet placed in service and no depreciation or amortization had been recognized.

#### 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 and an annual interest rate of 1%. All or a portion of the loan may be forgiven if certain terms and conditions of the program are met.

The Foundation has elected to treat its PPP loan as a conditional grant, and management believes the Foundation has 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 and reduced its cost recovery rate for its grants and contracts accordingly for the year ended September 30, 2020. The Foundation will apply for loan forgiveness from the lender and the SBA during 2021. Until loan forgiveness formally approved by the lender and the SBA, the amount of the loan forgiven may be reduced and would become payable under the terms of the PPP loan.

**THE ASIA FOUNDATION**

**Notes to Financial Statements  
For the Years Ended September 30, 2020 and 2019  
(Amounts are Reported in Thousands)**

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**Note 9 - 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 \$1,312 and \$1,194 for the years ended September 30, 2020 and 2019, 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 \$869 and \$758 for the years ended September 30, 2020 and 2019, 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 for the years ended September 30:

	In Thousands	
	2020	2019
Change in benefit obligation-		
Accumulated benefit obligation, beginning of year	\$ 287	\$ 298
Net periodic cost - interest	(36)	(41)
Benefits paid	(35)	(44)
Adjustment to unrestricted net assets	(27)	74
Accumulated benefit obligation, end of year	189	287
Change in plan assets-		
Fair value of plan assets, beginning of year		
Employer contributions	35	44
Benefits and expenses paid	(35)	(44)
Fair value of plan assets, end of year		
<b>Accumulated Accrued Pension Liability, End of Year</b>	<b>\$ 189</b>	<b>\$ 287</b>

Unrecognized net gain, included as a deduction from net assets without donor restrictions, for the years ended September 30, 2020 and 2019, totaled \$313 and \$287, 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, 2020 and 2019  
(Amounts are Reported in Thousands)**

**Note 9 - Continued**

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

	<u>2020</u>	<u>2019</u>
Medical cost increases (trends) for-		
Medical benefits	5.0%	5.5%
Prescription drug coverage	5.0%	6.0%
Dental benefits	4.0%	4.0%
Subsequent year rate of decrease-		
Medical benefits	0.0%	-0.5%
Prescription drug coverage	0.0%	-1.0%
Weighted average discount rate used in determining the accumulated postretirement benefit obligation	1.24%	2.37%

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>
2020	\$ 29
2021	26
2022	23
2023	20
2024	17
Succeeding 5 years	59

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 \$211 and \$238 at September 30, 2020 and 2019, respectively.

**Note 10 - Net Assets Without Donor Restrictions**

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

	<u>In Thousands</u>	
	<u>2020</u>	<u>2019</u>
Undesignated	\$ 4,288	\$ 4,123
Board designated for long-term investment	14,411	13,333
Board designated for Indonesia operations	35	35
<b>Total Net Assets Without Donor Restrictions</b>	<b><u>\$ 18,734</u></b>	<b><u>\$ 17,491</u></b>

## THE ASIA FOUNDATION

### Notes to Financial Statements For the Years Ended September 30, 2020 and 2019 (Amounts are Reported in Thousands)

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#### Note 11 - Net Assets With Donor Restrictions

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

	In Thousands	
	2020	2019
Subject to expenditure for specific purpose or passage of time-		
Books for Asia	\$ 8,339	\$ 8,422
Restricted purpose projects	10,724	2,556
Programs and scholarships	1,156	1,015
Beneficial interest in remainder trust	171	171
	<u>20,390</u>	<u>12,164</u>
Restricted in Perpetuity	<u>3,597</u>	<u>2,972</u>
<b>Total Net Assets With Donor Restrictions</b>	<b><u>\$ 23,987</u></b>	<b><u>\$ 15,136</u></b>

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

	In Thousands	
	2020	2019
Books for Asia	\$ 4,986	\$ 7,308
Restricted purpose projects	536	69
Programs and scholarships	5	20
	<u>5,527</u>	<u>7,397</u>
<b>Total Net Assets With Donor Restrictions Released</b>	<b><u>\$ 5,527</u></b>	<b><u>\$ 7,397</u></b>

#### Note 12 - 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 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.

## THE ASIA FOUNDATION

### Notes to Financial Statements For the Years Ended September 30, 2020 and 2019 (Amounts are Reported in Thousands)

#### Note 12 - Continued

In accordance with UPMIFA, the Foundation considers:

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

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

	In Thousands		
	Subject to Appropriation	Restricted in Perpetuity	Total
Endowment net assets, October 1, 2018	\$ 968	\$ 2,972	\$ 3,940
Endowment investment return, net	67		67
Appropriation of endowment for expenditure	(20)		(20)
<b>Endowment Net Assets, September 30, 2019</b>	<b>1,015</b>	<b>2,972</b>	<b>3,987</b>
Endowment investment return, net	146		146
Contribution to endowment		625	625
Appropriation of endowment for expenditure	(5)		(5)
<b>Endowment Net Assets, September 30, 2020</b>	<b>\$ 1,156</b>	<b>\$ 3,597</b>	<b>\$ 4,753</b>

**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, 2020 and 2019.

**Return Objectives and Risk Parameters** - The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets included those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk. The Foundation currently expects its endowment funds, over time, to provide an average rate of return of approximately 5.50%. Actual returns in any given year may vary from this amount.

## THE ASIA FOUNDATION

### Notes to Financial Statements For the Years Ended September 30, 2020 and 2019 (Amounts are Reported in Thousands)

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#### Note 12 - Continued

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

**Spending Policy and How the Investment Objectives Relate to the Spending Policy** - The Foundation has a policy of appropriating for distribution each year 5% of its 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

**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 2021 through 2025. Future minimum lease payments for noncancelable operating leases are as follows:

For the Year Ending September 30,	<u>In Thousands</u>
2021	\$ 1,105
2022	1,068
2023	573
2024	123
2025	<u>92</u>
<b>Total</b>	<b><u><u>\$ 2,961</u></u></b>

Rental expense totaled \$2,753 and \$2,690 for the years ended September 30, 2020 and 2019, respectively. The Foundation has a lease with escalating rent payments with future annual minimum lease payments increasing from \$667 to \$804.

**Other Commitments and Contingencies** - 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 \$3,954 and \$3,431 at September 30, 2020 and 2019, respectively, and are included in accounts payable and accrued expenses on the statements of financial position.

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

## THE ASIA FOUNDATION

### Notes to Financial Statements For the Years Ended September 30, 2020 and 2019 (Amounts are Reported in Thousands)

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#### Note 13 - Continued

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

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

Commitments due by the Foundation under grant agreements to subrecipients for services not yet provided totaled \$15,778 and \$14,548 as of September 30, 2020 and 2019, respectively.

#### Note 14 - Related Party Transactions

Contributions received from the Foundation's Board of Trustees totaled \$2,094 and \$736 for the years ended September 30, 2020 and 2019, 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, 2020 and 2019 (Amounts are Reported in Thousands)

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#### 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	
	2020	2019
Cash and cash equivalents	\$ 28,219	\$ 23,822
Accounts receivable, net	15,533	17,276
Pledges receivable, net	1,154	683
Investments	15,744	14,542
Total financial assets	60,650	56,323
Contractual and donor-imposed restrictions-		
Pledges due in two to five years	(580)	(193)
Deferred support beyond one year	(1,698)	(1,056)
Restricted purpose projects	(10,724)	(2,556)
Restricted for programs and scholarships	(1,156)	(1,015)
Beneficial interest in remainder trust	(171)	(171)
Restricted in perpetuity	(3,597)	(2,972)
Obligated for nonoperating costs		(1,000)
Board designated for long-term investment	(14,411)	(13,333)
<b>Financial Assets Available to Meet General Expenditures Within One Year</b>	<b>\$ 28,313</b>	<b>\$ 34,027</b>

#### Note 16 - Subsequent Events

The Foundation has evaluated subsequent events through February 2, 2021, 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, except as follows.

The COVID-19 outbreak that started in early 2020 has caused business disruption through mandated and voluntary closings of multiple businesses. As a result, the Foundation's offices were temporarily closed throughout 2020, with staff successfully working remotely with limited disruption. While the situation is expected to be temporary, the extent of the impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the effect on the Foundation's employees and implementing partners, none of which can be predicted. The extent to which COVID-19 may impact the Foundation's financial condition or results of operations is uncertain at this time. Management continues to monitor events and conditions as they unfold and have established strategies to respond accordingly.

**SUPPLEMENTARY INFORMATION**

## THE ASIA FOUNDATION

### Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards For the Year Ended September 30, 2020

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
<b>Multilateral Awards:</b>			
Asian Development Bank-			
Mongolia: Strengthening the Anticorruption Regime	Mongolia	152173-S53501	\$ 142,162
Digital Solutions for Livable Asian Cities Forum	Programs		123,643
Strengthening Women's Resilience to Climate Change and Disaster Risk in Asia and Pacific	Mongolia	137085-S53164	<u>4,135</u>
Total Asian Development Bank			269,940
British Council - Sri Lanka-			
Supporting Effective Dispute Resolution in Sri Lanka	Sri Lanka		<u>443</u>
Total British Council - Sri Lanka			443
Centre for Peace and Conflict Studies-			
Foundations for Future Peace in Southern Thailand	Thailand	ICSP/2019/410-000	86,717
Foundations for Future Peace in Southern Thailand	Thailand	ICSP/2017/390-495	<u>(18,020)</u>
Total Centre for Peace and Conflict Studies			68,697
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>10,537</u>
Total European Commission			10,537
European Union-			
Promoting Regional Cooperation Capacity of MoFA (PRCC-MoFAO Project - Phase II)	Afghanistan	ACA/2017/386-784	618,492
Justice Sector Responsibility and Accountability to Redress SGBV	Sri Lanka	EIDHR/2017/389-234	166,057
EU Social Audit	Timor - Leste	CSO-LA/2016/375-900	6,307
SoAsia Reg Awareness COVID	Pakistan	ICSP/2020/417-844	<u>6,250</u>
Total European Union			797,106
International Labour Office-			
Sunaulo Mauka - Phase III	Nepal	40295264/0 (NPL/17/01/GBR)	<u>120,182</u>
Total International Labour Office			120,182
The World Bank-			
Study on Human Trafficking	Nepal	7193294	79,282
Policy Research on Subnational PFM Issue	Myanmar	7189934	49,369
Conflict Monitoring in Nepal	Nepal	7195484	43,594
Supporting the Development of Open Source Data-Driven Prototypes of Solveathon	Nepal	7194727	<u>14,969</u>
Total The World Bank			187,214
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	21,060
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>5,989</u>
Total United Nations Economic and Social Council			27,049
United Nations Environment Programme-			
Delivering Integrated Waste Solutions at the National and Local Level	Mongolia	BP No.: 1500007846	<u>110,403</u>
Total United Nations Environment Programme			110,403
United Nations Development Programme-			
Diagnostic Study on Local Government Institutions and Finances and Capacity Needs	Sri Lanka	COL/CDLG/118837/001/01A	<u>99,281</u>
Total United Nations Development Programme			99,281
United Nations Children's Fund-			
Enhancing Child Protection System to Keep Filipino Children Safe Online	Philippines	PHI/PCA201946	<u>309,544</u>
Total United Nations Children's Fund			309,544
United Nations Educational Programme-			
Reconstructing Masculinity Research	India	Contract 4500418012	<u>2,922</u>
Total United Nations Educational Programme			2,922
<b>Total Multilateral Awards</b>			<b><u>2,003,318</u></b>

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## THE ASIA FOUNDATION

### Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2020

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
<b>Bilateral Awards:</b>			
Abt JTA- Decentralisation and Citizen Participation Partnership	Thailand	DCP-2019-017	17,430
Total Abt JTA			17,430
Aecom Services PTY LTD- Township Development Indicators (TDI) Database	Myanmar	ADA 003	51,212
Total Aecom Services PTY LTD			51,212
Australian Department of Foreign Affairs and Trade (AusDFAT, formerly AusAID)- Strategic Partnership on Subnational Governance in Nepal	Nepal	72580/4	3,771,289
Ending Violence Against Women in Timor-Leste	Timor - Leste	69943	3,049,771
PNPM Peduli Phase II: National Program for Community Empowerment	Indonesia	70009	2,939,536
Coalitions for Change Program Phase 2	Philippines	74632	2,660,427
Strengthened Access to Justice for Women Affected by Violence Through Proven Culturally Sensitive Approaches 2 (A2J-II)	Afghanistan	74074	1,240,681
Cohesion, Advocacy, Resilience and Expansive Engagement (CARE) for Peace in the Philippines	Philippines	73672	1,056,691
Ponlok Chomnes: Data and Dialogue for Development	Cambodia	72580/19	669,142
Adhika Para sa Katarungan	Philippines	72580/11	453,307
ASEAN - Australia Strategic Partnership: ACTIP Implementation	Thailand	72580/13	428,368
Sustainable Development Investment Portfolio Phase 2 (SDIP Phase 2)	India	72580/3	416,810
Sri Lanka Sub National Governance Project	Sri Lanka	71894	387,956
AMIC Program Initiative: Support for Australian Engagement in Malaysia and Thailand	Programs	72580/31	366,490
Supporting Local Government Units in Preventing Violent Extremism in Mindanao	Philippines	75050	323,960
Strengthening the Australia-ASEAN Partnership: Regional Capacity Building and Policy Dialogues	Thailand	72580/23	322,708
DFAT-TAF Partnership - Responding to Change: Supporting Australian Engagement in the Indo-Pacific	Programs	72281/21 72580	271,692
Australia-Thailand Middle Income Initiatives: Improving Competitiveness Through Functional Literacy and Responsive Policy Engagement	Thailand	72580/17	224,704
Institutionalizing the Survey of the Afghan People	Afghanistan	73472	208,223
Public Accountability through Court Transformation (PACT)	Philippines	75032	204,031
Knowledge for Prevention: Data and Analysis on the State of Violence in Asia	Thailand	72580/24	180,632
Southeast Asia Civil Society Scoping	Vietnam	72580/18	118,314
Political Economy Analysis (PEA) of the Energy and the Climate Change/Environment Sector Within Vietnam	Vietnam	72580/32	109,516
Lessons Learned: Preventing and Countering Violent Extremism Programming in Asia	Thailand	72281 72580/16	107,271
Bangladesh - Research Survey Initiative	Bangladesh	75429	103,237
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	51,581
Survey of the Afghan People (SAP)	Afghanistan	72580/29	25,555
Shaping the Future of Mekong Regional Architecture	Thailand	72580/22	23,024
Expand Community-based Leadership & Civilian-Govt Partnership to Prevent Violent Extremism in Sabah	Malaysia	19/23895#7	10,125
Gender-Sensitive Corporate Responsibilities Among Chinese Textile Investors in Cambodia	China	72281 72580/12	10,047
Engagement of a Performance Management Adviser for DFAT's Ending Violence Against Women Program in Afghanistan	Afghanistan	74151	7,657
DFAT-TAF Partnership - Innovations in Development Policy and Practice (the Partnership)	Programs	72281/1 72580/1	5,926
APEC CONNECT - Empowering Local Agricultural Producers with a Global Trading Industry	Vietnam	73994	1,940
Technical Cyber Security and Incident and Network Management Training	Program Specialists - SF	72580/14 72281	709
The ASEAN-Australia Cyber Workshop and Training in Bangkok	Thailand	72281 72580/9	373
Supporting Democracy Through Engaging Youth Voices: Ulaanbaatar Summit	Mongolia	72580/27	(64)
Total Australian Department of Foreign Affairs and Trade (AusDFAT, formerly AusAID)			19,751,629

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## THE ASIA FOUNDATION

### Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2020

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
<b>Bilateral Awards (Continued):</b>			
Australian Volunteers International- Developing guidance for COVID-19 Prevention and Control in Local School in Ulaanbaatar, Mongolia	Mongolia	AVPIF156	6,668
Total Australian Volunteers International			6,668
British Embassy- Institutionalizing the Survey of the Afghan People 2016-2021 Strengthening Township Administration in Kayah	Afghanistan Myanmar	300041	325,327 132,372
Total British Embassy			457,699
Canadian DFATD- STEPS: Strengthening Democratic Participation and Transparency in the Public Service Sector in Mongolia	Mongolia	PO 7062071	183,076
Total Canadian DFATD			183,076
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	Indonesia Timor - Leste Vietnam	AC46900/AIPJ2/TAF/GN ACN 006-170-869 75280/32	465,653 292,584 20,951
Total CARDNO			779,188
Climate and Land Use Alliance- Promoting Ecological Fiscal Transfer Schemes through Provincial and District Government Associations	Indonesia	G-2003-56769	22,954
Total Climate and Land Use Alliance			22,954
Conciliation Resources- Implementation Phase of the Smart Peace Project	Myanmar	DFID: 300055-108	512,584
Total Conciliation Resources			512,584
Cowater Sogema- Australia-Cambodia Cooperation for Equitable Sustainable Services (ACCESS)	Cambodia	1240-ACCESS-PPA-009	176,700
Total Cowater Sogema			176,700
Development Alternatives- Growth With Equity in Myanmar Programme (GEM)	Myanmar		857,378
Total Development Alternatives			857,378
DT Global Australia- Laos eCommerce Development Initiative DFAT's E-Commerce Aid for Trade Fund	Laos Vietnam	IRF Grant# OTN03 IRF Grant# OTN04	192,933 114,149
Total DT Global Australia			307,082
Deutsche Gesellschaft für Internationale Zusammenarbeit- Bridging the Gap Between Informal and Formal Justice Promotion of Employment for Marginalized Groups/Partnership for Sustainable Agroforestry (PSAF) Improving Mental Health and Psychosocial Support Services Associated With Consolidating Transitional Justice (IMPACT) Cofinancing SAP 2019-2020	Afghanistan Timor-Leste Sri Lanka Afghanistan	81228295 81242807 81232721 81243442 CR 31958	1,473,204 218,913 102,746 66,747
Total Deutsche Gesellschaft für Internationale Zusammenarbeit			1,861,610

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**THE ASIA FOUNDATION**

**Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued)  
For the Year Ended September 30, 2020**

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
<b>Bilateral Awards (Continued):</b>			
Embassy of Canada- CFLI Women Economic Empowerment and Recycling	Timor - Leste	CFLI-2019-JKRTA-TL-0003	35,720
Total Embassy of Canada			35,720
UK Foreign, Commonwealth and Development Office (UK FCDO)- Accountable and Inclusive States and Regions (AISR)	Myanmar	203996-107 PO 40117844	2,022,117
Investing to Community Security; Associated With Framework Agreement	Myanmar	CPG/1265/2016	1,405,096
Improving Governance and Civil Society Engagement to Prevent Deforestation and Land Degradation (SETAPAK II)	Indonesia	204623-101	1,949,492
Economic Growth, Infrastructure, and the Environment: Finding the Balance	Indonesia	300185-102	1,033,964
Improving Public Financial Management and Accountability in Nepal, Phase II (PFMA2)	Nepal	300006	310,590
Data for Development Program Phase 2	Nepal	203385-103	247,049
Independent Impacts and Recovery Monitoring Project (IRM) - Phase 3	Nepal	203385-103	202,402
Improving the Sharing and Use of Data as Evidence for Development in Nepal	Nepal	203385-103	11,536
National School of Government International Kyrgyzstan	Evaluation and Learning -		
	Thailand	40101952	(1,173)
Researching Border Conflicts Through Local Networks	Thailand	300100	2,611,877
CSSF Sri Lanka: UK Support for the Implementation of Community Policing	Sri Lanka	CPG/2204/2019	430,098
Strengthening the Autonomy of the Lao National Assembly through the Institute of Legislative Studies	Laos	NA-IL54	8,961
Strengthening and Promoting Active Citizenship in Bangladesh (SPACB)	Bangladesh	203487-106	497,147
Total UK FCDO			10,729,156
Forum Organizaasaun Non-Governmentais Timor-Leste- FONGTIL - Social Audit	Timor-Leste		51,572
Total Forum Organizaasaun Non-Governmentais Timor-Leste			51,572
Global Affairs Canada- Women's Voice and Leadership - Afghanistan	Afghanistan	PO 7400726; Prj Num: P002744	465,565
Women's Voice and Leadership - Sri Lanka	Sri Lanka	PO 7398950 Proj Num P002677	323,581
Women's Economic Empowerment	Mongolia	P006469 PO 7418774	118,876
Total Global Affairs Canada			908,022
International Development Enterprises- Women's Economic Empowerment Through Strengthening Market Systems	Bangladesh	SIDA ID 52170023	529,149
Total International Development Enterprises			529,149
International Development Research- Monitoring Subnational Violence in Asia	Thailand	108239-001	(1,777)
Total International Development Research			(1,777)
International Labor Office- Promoting Decent Work through Good Governance, Protection and Empowerment of Migrant Workers in Sri Lanka	Sri Lanka	Subaward (TAF as Sub)	20,051
Total International Labor Office			20,051
Italian Agency for Development Cooperation- New Afghan Penal Code Commentary (First Book) and Related Workshops (Heart and Bamiyan)	Afghanistan	CIG 7658853D6C	22,091
Total Italian Agency for Development Cooperation			22,091

See independent auditor's report.

## THE ASIA FOUNDATION

### Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2020

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
<b>Bilateral Awards (Continued):</b>			
Korea Development Institute-			
International Development Cooperation Capacity Building Program 2019	Korea, South		129,200
International Development Cooperation Capacity Building Program 2020	Korea, South		50,159
Contemporary Economic and Social Policy for Inclusive Growth	Korea, South		7,990
PH-2018 KDI School Internship Program	Philippines		<u>3,209</u>
Total Korea Development Institute			190,558
Korea International Development Corporation Centre-			
ODA Project Implementing Organization Youth Internship	Korea, South		<u>28,731</u>
Total Korea International Development Corporation Centre			28,731
Korea International Cooperation Agency-			
The Mongolia Women's Business Center: Women Entrepreneurs' Business Capacity Building and Startup Incubation Program	Mongolia	Control# 2018-0099	210,143
Making Cities Safe for Women in India (KOICA's Innovative Partnership Solution (IPS) Program)	India		42,155
Women's Business Center and Incubator (WBC)	Mongolia		<u>(44,069)</u>
Total Korea International Cooperation Agency			208,229
Ministry of Gender Equality-			
Prevention of Violence Against Women (VAW) in Mongolia	Korea, South		<u>109,038</u>
Total Ministry of Gender Equality			109,038
Ministry of Rural Rehabilitation and Development, Afghanistan (MRRD)-			
Citizen's Charter "Booster" to the 2018 Survey of the Afghan People	Afghanistan	ATRF TFA03827 IDA D1390-AF	<u>39,183</u>
Total Ministry of Rural Rehabilitation and Development, Afghanistan (MRRD)			39,183
Multiple Funders-			
Institutionalizing the Survey of the Afghan People 2016-2021	Afghanistan	31959 31960 31961	<u>(24,426)</u>
Total Multiple Funders			(24,426)
Netherlands Embassy in Jakarta-			
Enhancing Religious Freedom Protection and Human Rights	Indonesia	4000002072	<u>361,666</u>
Total Netherlands Embassy in Jakarta			361,666
New Zealand Embassy-			
Timor-Leste Community Policing Support Programme (CPSP)	Timor - Leste	CT File: GRA-560-5	988,389
Timor-Leste Tourism Development Activity Phase 2 (2019-2024)	Timor - Leste	File Ref: WPG-0101849	499,303
Promoting the Transparent and Accountable Management of Local Fund in Cambodia	Cambodia	WPG-0102266; DOC-4062782	121,443
LAO: Legislative Development Support to the Institute of Legislative Studies	Laos	WFG-0102243;DOC-4062530	54,638
Understanding COVID-19 Impacts on MSMEs and Workers in Vulnerable Sectors in Cambodia	Cambodia		12,536
Understanding COVID-19 Impacts on MSMEs and Workers in Vulnerable Sectors in Lao PDR	Laos		2,237
Human rights promotion and advocacy support in the Philippines (HR-PAS)	Philippines	WPG-0102435	<u>7,273</u>
Total New Zealand Embassy			1,685,819
New Zealand Ministry of Foreign Affairs-			
Workshops by TAF to Address Violent Extremism Online	Philippines	GSF 19/518	10,322
Design for Timor-Leste Tourism Development 2019	Timor - Leste	ACT-0A12629	5
Timor-Leste Tourism Development	Timor - Leste	WPG-0101063; Act code A12629	<u>(2,914)</u>
Total New Zealand Ministry of Foreign Affairs			7,413

See independent auditor's report.

## THE ASIA FOUNDATION

### Schedule of Expenditures of Nonfederal Bilateral and Multilateral Awards (Continued) For the Year Ended September 30, 2020

Nonfederal Grantor/Program Title	Country	Award Number	Expenditures
<b>Bilateral Awards (Continued):</b>			
Palladium Group-			
Financial Inclusion and Economic Empowerment for the Low-Income Population and Women in Vietnam Phase II	Vietnam	Service order 1 Deed 65670	84,199
Job Information and Recruitment Services in Cambodia	Cambodia	Service Order 1 of Deed 65670	3,068
Education Pathways to Peace in Mindanao	Philippines	73849	<u>(915)</u>
Total Palladium Group			86,352
Royal Netherlands Embassy-			
Engaging Employers to Address Domestic Violence in China	China	400001426	<u>174,284</u>
Total Royal Netherlands Embassy			174,284
Scope Global Pty Ltd-			
Logistic Support to Australian Alumni Association in Kabul	Afghanistan	AusDFAT Agreement No: 71010	<u>13,405</u>
Total Scope Global Pty Ltd			13,405
Stockholm Environment Insurance-			
Water, Poverty, Gender Household Survey in Cambodia	Cambodia	Work Order No. 100098	<u>23,485</u>
Total Stockholm Environment Insurance			23,485
Swiss Agency for Development and Cooperation-			
Urban Governance Project Exit Phase	Mongolia	81062600	401,392
Mandate for Implementing Component 2 of GDP: Urban Governance	Mongolia	81034716	307,273
Strengthening and Promoting Active Citizenship in Bangladesh under the Election Support	Bangladesh	81056092	179,062
MYA: General Administration Department (GAD) Study Tour	Myanmar	81061715	<u>39,946</u>
Total Swiss Agency for Development and Cooperation			927,673
University of Hong Kong-			
Plug-in Research	Mongolia		<u>1,925</u>
Total University of Hong Kong			<u>1,925</u>
<b>Total Bilateral Awards</b>			<b><u>41,112,529</u></b>
<b>Total Multilateral and Bilateral Awards</b>			<b><u>\$ 43,115,847</u></b>

#### 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.