

**ASIAN UNIVERSITY FOR WOMEN (AUW)
SUPPORT FOUNDATION**

**FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION**

DECEMBER 31, 2006 AND 2005

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Asian University for Women (AUW) Support Foundation

We have audited the accompanying statements of financial position of Asian University for Women (AUW) Support Foundation (a not-for-profit corporation) as of December 31, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asian University for Women (AUW) Support Foundation as of December 31, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Lutz + Carr, LLP

New York, New York
November 19, 2007

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Assets		
Cash and cash equivalents (Notes 1g and 9a)	\$ 161,369	\$5,256,672
Unconditional promises to give (Notes 1b and 5)		
Unrestricted	2,100	-
Temporarily restricted	3,037,309	1,313,028
Prepaid expenses and other current assets	35,793	667
Security deposit	5,383	-
Property and equipment, at cost (net of accumulated depreciation) (Notes 1c and 3)	66,417	3,500
Investments and cash held for investment (Notes 1d and 4)	<u>5,001,216</u>	<u>-</u>
Total Assets	<u>\$ 8,309,587</u>	<u>\$6,573,867</u>
Liabilities and Net Assets		
Liabilities		
Checks not yet presented for payment	\$ 214,257	\$ -
Accounts payable and accrued expenses	<u>408,466</u>	<u>24,636</u>
Total Liabilities	<u>622,723</u>	<u>24,636</u>
Commitment and Contingency (Note 7)		
Net Assets		
Unrestricted	853,354	333,109
Temporarily restricted (Note 2)	<u>6,833,510</u>	<u>6,216,122</u>
Total Net Assets	<u>7,686,864</u>	<u>6,549,231</u>
Total Liabilities and Net Assets	<u>\$ 8,309,587</u>	<u>\$6,573,867</u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
Changes in Unrestricted Net Assets		
Revenue and Support		
Contributions	\$ 278,480	\$ 208,183
Donated services (Note 6)	427,300	94,626
Interest and dividend income	241,765	19,263
Net assets released from restrictions		
Satisfaction of program and other restrictions	2,310,713	35,871
Total Unrestricted Revenue and Support	3,258,258	357,943
Expenses		
Program Services	1,641,882	242,200
Supporting Services		
Management and general	522,748	124,859
Fundraising	573,383	32,147
Total Expenses	2,738,013	399,206
Increase (Decrease) in Unrestricted Net Assets	520,245	(41,263)
Change in Temporarily Restricted Net Assets		
Contributions (Notes 5 and 9b)	2,928,101	6,087,390
Net assets released from restrictions	(2,310,713)	(35,871)
Increase in Temporarily Restricted Net Assets	617,388	6,051,519
Increase in net assets	1,137,633	6,010,256
Net assets, beginning of year	6,549,231	538,975
Net Assets, End of Year	\$ 7,686,864	\$ 6,549,231

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 1,137,633	\$6,010,256
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	8,318	1,411
(Increase) decrease in:		
Unconditional promises to give	(1,726,381)	(1,313,028)
Prepaid expenses	(35,126)	98
Security deposit	(5,383)	780
Increase in:		
Checks not yet presented for payment	214,257	-
Accounts payable and accrued expenses	383,830	21,751
Net Cash Provided (Used) By Operating Activities	<u>(22,852)</u>	<u>4,721,268</u>
 Cash Flows From Investing Activities		
Purchase of investments	(5,001,216)	-
Acquisition of computer and equipment	(71,235)	(2,431)
Net Cash Used By Investing Activities	<u>(5,072,451)</u>	<u>(2,431)</u>
 Net increase (decrease) in cash and cash equivalents	(5,095,303)	4,718,837
Cash and cash equivalents, beginning of year	<u>5,256,672</u>	<u>537,835</u>
 Cash and Cash Equivalents, End of Year	 <u>\$ 161,369</u>	 <u>\$5,256,672</u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2006 AND 2005****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

The Organization's purpose is to support the funding, creation and management of the Asian University for Women.

b - Contributions and Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Amounts received that are designated for future periods and all other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

c - Property and equipment

Property and equipment acquired are recorded at cost and are being depreciated using the straight-line method over the useful life of the assets

d - Investments

The Organization reflects investments at fair value in the statement of financial position. Unrealized gains and losses on investments are reported in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

e - Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of assets: unrestricted, temporarily restricted and permanently restricted net assets.

f - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

g - Cash and Cash Equivalents

The Organization considers all short-term highly liquid investments, such as money market funds and highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for cash and short-term investments managed by the Organization as part of their long-term investment strategies. At December 31, 2005, cash equivalents include \$4,709,153 of money market funds.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2006 AND 2005

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

h - Tax Status

The Organization is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

Note 2 - Restriction of Assets

Temporarily restricted net assets are restricted for future programs and periods.

Note 3 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2006</u>	<u>2005</u>
Computer equipment and software	3-5 years	\$60,271	\$8,719
Furniture	7 years	<u>19,683</u>	-
		79,954	<u>8,719</u>
Less: Accumulated depreciation		<u>(13,537)</u>	<u>(5,219)</u>
Total		<u>\$66,417</u>	<u>\$3,500</u>

Depreciation expense for the years ended December 31, 2006 and 2005 was \$8,318 and \$1,411 respectively.

Note 4 - Investments

Investments and cash held for investment consist of the following at December 31, 2006:

	<u>Fair Value</u>	<u>Cost</u>
Certificates of deposit held at Citizens Bank	\$1,952,263	\$1,952,263
Money market fund held at Common Fund Group	<u>3,048,953</u>	<u>3,048,953</u>
	<u>\$5,001,216</u>	<u>\$5,001,216</u>

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2006 AND 2005

Note 5 - Substantial Grant

The Strategic Opportunities Program of the Bill & Melinda Gates Foundation ("Gates") awarded \$15,000,000 for the establishment of a University in Bangladesh. \$2,000,000 was paid upon receipt of the signed grant agreement. \$3,000,000 is conditional upon receiving matching contributions of \$1,500,000. \$10,000,000 is conditional upon receiving matching contributions of \$20,000,000.

During the year ended December 31, 2005, \$1,350,000 was matched and \$2,700,000 was earned. During the year ended December 31, 2006, \$1,400,000 was matched and \$925,000 was earned.

Note 6 - Donated Services

Donated services consist of the following:

	<u>2006</u>	<u>2005</u>
Legal	\$427,300	\$58,626
Rent	-	36,000
	<u>\$427,300</u>	<u>\$94,626</u>

Note 7- Commitment and Contingency

a - The Organization occupies domestic and overseas offices. The leases provide for minimum annual rentals as follows:

<u>Year Ending December 31,</u>	
2007	\$282,136
2008	307,431
2009	302,910
2010	302,910
2011	302,910
For the remaining period to March 5, 2012	50,485

Rent expense for the years ended December 30, 2006 and 2005 was \$51,663 and \$36,000, respectively.

b - The Organization has a voluntary salary reduction tax deferred annuity plan for the benefit of all qualifying employees under Section 403(b) of the Internal Revenue Code. The Organization's contributes 8% of the salary for all participants.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2006 AND 2005****Note 8 - Functional Allocation of Expenses**

The cost of providing the various programs and the supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and the supporting services in reasonable ratios determined by management.

Note 9 - Concentrations

- a - The Organization maintains its cash and certain of its investment balances in a financial institution located in Massachusetts. The balances in the financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. These balances represent 41% of cash and investments at December 31, 2006.
- b - The Organization received 73% its contributions from two foundations and 95% of its contributions from three foundations for the years ended December 31, 2006 and 2005, respectively.

ADDITIONAL INFORMATION



**INDEPENDENT AUDITOR'S REPORT ON
ADDITIONAL INFORMATION**

To the Board of Directors of
Asian University for Women (AUW) Support Foundation

Our report on our audits of the basic financial statements of Asian University for Women (AUW) Support Foundation for 2006 and 2005 appears on page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses for the year ended December 31, 2006 with comparative totals for 2005 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Lutz + Carr, LLP

New York, New York
November 19, 2007

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2006 WITH COMPARATIVE TOTALS FOR 2005

	Program Services				Supporting Services			2006	2005
	Academic Planning	Access Academy	Construction and Operations	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries, payroll taxes and employee benefits	\$130,084	\$125,321	\$ 80,448	\$ 335,853	\$ 134,693	\$ 327,676	\$ 462,369	\$ 798,222	\$ 56,065
Professional fees	227,306	646,134	255,895	1,129,335	287,178	148,326	435,504	1,564,839	209,680
Construction materials	-	-	39,166	39,166	-	-	-	39,166	-
Occupancy	9,043	9,043	8,603	26,689	10,894	18,305	29,199	55,888	36,000
Travel and meetings	24,142	24,142	24,142	72,426	38,738	37,107	75,845	148,271	66,412
Office supplies and expenses	102	33	17,775	17,910	24,235	23,194	47,429	65,339	5,914
Printing	-	-	25	25	2,327	3,961	6,288	6,313	9,987
Postage	997	997	623	2,617	1,059	2,554	3,613	6,230	2,557
Dues and subscription	-	-	-	-	1,573	4,546	6,119	6,119	5,394
Insurance	-	-	-	-	770	-	770	770	3,512
Telephone	1,344	1,344	840	3,528	1,428	3,445	4,873	8,401	703
Bank charges	-	-	283	283	846	65	911	1,194	247
Miscellaneous	3,000	-	7,556	10,556	17,593	794	18,387	28,943	1,324
Total expenses before depreciation	396,018	807,014	435,356	1,638,388	521,334	569,973	1,091,307	2,729,695	397,795
Depreciation	1,331	1,331	832	3,494	1,414	3,410	4,824	8,318	1,411
Total Expenses	<u>\$397,349</u>	<u>\$808,345</u>	<u>\$ 436,188</u>	<u>\$1,641,882</u>	<u>\$ 522,748</u>	<u>\$ 573,383</u>	<u>\$1,096,131</u>	<u>\$2,738,013</u>	<u>\$399,206</u>

See independent auditor's report on additional information.