

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

**FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION**

JUNE 30, 2009 AND DECEMBER 31, 2007

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

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INDEPENDENT AUDITORS' 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 June 30, 2009 and December 31, 2007, and the related statements of activities and cash flows for the eighteen months ended June 30, 2009 and the year ended December 31, 2007. 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 June 30, 2009 and December 31, 2007, and the changes in its net assets and its cash flows for the eighteen months ended June 30, 2009 and year ended December 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

Lutz + Carr, LLP

New York, New York
October 14, 2009

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2009 AND DECEMBER 31, 2007

	2009	2007
Assets		
Cash and cash equivalents (Notes 1b and 9a)	\$ 686,542	\$ 494,152
Unconditional promises to give (Notes 1c and 3)		
Unrestricted	503,000	36,105
Temporarily restricted	1,919,280	4,605,756
Prepaid expenses and other current assets	313,309	150,652
Security deposit	50,485	50,485
Property and equipment, at cost (net of accumulated depreciation) (Notes 1d and 4)	157,087	185,095
Investments and cash held for investment (Notes 1e and 5)	15,473,761	6,026,519
Total Assets	\$ 19,103,464	\$ 11,548,764
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 457,033	\$ 239,280
Security deposit payable	11,968	11,968
Total Liabilities	469,001	251,248
Commitments (Note 7)		
Net Assets		
Unrestricted	6,141,917	2,424,770
Temporarily restricted (Note 2)	12,492,546	8,872,746
Total Net Assets	18,634,463	11,297,516
Total Liabilities and Net Assets	\$ 19,103,464	\$ 11,548,764

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF ACTIVITIES

	<u>Eighteen Months Ended June 30, 2009</u>	<u>Year Ended December 31, 2007</u>
Changes in Unrestricted Net Assets		
Revenue and Support		
Contributions (Note 9)	\$ 5,418,741	\$ 3,044,011
Donated services (Note 6)	287,731	96,734
Subtenant rental income	125,044	40,459
Interest and dividend income	274,504	240,123
Miscellaneous income	66,405	-
Net assets released from restrictions		
Satisfaction of program and other restrictions	<u>6,191,773</u>	<u>1,529,847</u>
Total Unrestricted Revenue and Support	<u>12,364,198</u>	<u>4,951,174</u>
Expenses		
Program Services	6,077,602	1,668,622
Supporting Services		
Management and general	1,346,312	723,186
Fundraising	<u>1,223,137</u>	<u>987,950</u>
Total Expenses	<u>8,647,051</u>	<u>3,379,758</u>
Increase in Unrestricted Net Assets	<u>3,717,147</u>	<u>1,571,416</u>
Change in Temporarily Restricted Net Assets		
Contributions (Note 9)	9,774,984	3,698,423
Reversal of prior year restricted contributions	-	(146,592)
Interest and dividend income	36,589	17,252
Net assets released from restrictions	<u>(6,191,773)</u>	<u>(1,529,847)</u>
Increase in Temporarily Restricted Net Assets	<u>3,619,800</u>	<u>2,039,236</u>
Increase in net assets	7,336,947	3,610,652
Net assets, beginning of year	<u>11,297,516</u>	<u>7,686,864</u>
Net Assets, End of Year	<u><u>\$ 18,634,463</u></u>	<u><u>\$ 11,297,516</u></u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF CASH FLOWS

	Eighteen Months Ended June 30, 2009	Year Ended December 31, 2007
Cash Flows From Operating Activities		
Increase in net assets	\$ 7,336,947	\$ 3,610,652
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	70,735	23,340
(Increase) decrease in:		
Unconditional promises to give	2,219,581	(1,602,452)
Prepaid expenses and other current assets	(162,657)	(114,859)
Security deposit	-	(45,102)
Increase (decrease) in:		
Checks not yet presented for payment	-	(214,257)
Accounts payable and accrued expenses	217,753	(169,186)
Security deposit payable	-	11,968
Net Cash Provided By Operating Activities	<u>9,682,359</u>	<u>1,500,104</u>
Cash Flows From Investing Activities		
Purchase of investments	(19,081,777)	(4,535,212)
Sale of investments	9,634,535	3,509,909
Acquisition of computer and equipment	(42,727)	(142,018)
Net Cash Used By Investing Activities	<u>(9,489,969)</u>	<u>(1,167,321)</u>
Net increase in cash and cash equivalents	192,390	332,783
Cash and cash equivalents, beginning of year	<u>494,152</u>	<u>161,369</u>
Cash and Cash Equivalents, End of Year	<u>\$ 686,542</u>	<u>\$ 494,152</u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2009 AND DECEMBER 31, 2007****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

Asian University for Women Support Foundation (the "Organization") supports the funding, creation and management of the Asian University for Women, a separate legal entity in Bangladesh. Principal operations include Academic Planning for curriculum and University activities; Access Academy as a pre-collegiate program to strengthen the students' English and quantitative skills and Campus Planning and Operations for the campus construction and local operations.

b - 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.

c - 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.

d - 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. Property and equipment purchased for the benefit of Asia University for Women have been expenses.

e - 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.

The Organization was required to adopt Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157"), effective (January 1, 2008).

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2009 AND DECEMBER 31, 2007****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****e - Investments (continued)**

SFAS 157 clarifies that fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Under SFAS 157, fair value measurements are not adjusted for transaction costs. SFAS 157 provides for use of a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three levels.

Unadjusted quoted prices in active markets for identical assets or liabilities are referred to as Level 1 inputs. Inputs other than quoted market prices that are observable, either directly or indirectly, and reasonably available are referred to as Level 2 inputs. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the assumptions developed by the Organization based on available information about what market participants would use in valuing the asset or liability and are referred to as Level 3.

An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. Level 3 assets and liabilities involve greater judgment than Level 1 or Level 2 assets or liabilities.

Investments in money market mutual funds and treasury bills are classified within Level 1 of the fair value hierarchy. Fair value is determined using quoted market values.

f - 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.

g - 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.

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.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND DECEMBER 31, 2007

Note 2 - Restriction of Assets

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

Note 3 - Unconditional Promises to Give

Unconditional promises to give at June 30, 2009 and December 31, 2007 are due within one year. Uncollectible promises are expected to be insignificant.

Note 4 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2009</u>	<u>2007</u>
Computer equipment and software	3-5 years	\$134,087	\$107,453
Furniture	7 years	60,845	44,752
Automobile	5 years	<u>69,767</u>	<u>69,767</u>
		264,699	221,972
Less: Accumulated depreciation		<u>(107,612)</u>	<u>(36,877)</u>
Total		<u>\$157,087</u>	<u>\$185,095</u>

Depreciation expense for the eighteen months ended June 30, 2009 and year ended December 31, 2007 was \$70,735 and \$23,340, respectively.

Note 5 - Investments

Investments, all of which are Level 1 within the fair value hierarchy used to measure their respective fair values, consist of the following at June 30, 2009 and December 31, 2007.

	<u>2009</u>		<u>2007</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Certificates of deposit held at Citizens Bank	\$ -	\$ -	\$2,859,330	\$2,859,330
Money market fund held at Common Fund Group	3,833,074	3,833,074	1,466,504	1,466,504
Money market fund held at Vanguard Group	9,637,495	9,637,495	1,700,685	1,700,685
Money market fund held at Fidelity Investments	200,777	200,777	-	-
Treasury Bills held at Fidelity Investments	<u>1,802,415</u>	<u>1,802,415</u>	<u>-</u>	<u>-</u>
	<u>\$15,473,761</u>	<u>\$15,473,761</u>	<u>\$6,026,519</u>	<u>\$6,026,519</u>

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND DECEMBER 31, 2007

Note 6 - Donated Services

Donated services consist of the following:

	<u>Eighteen Months Ended June 30, 2009</u>	<u>Year Ended December 31, 2007</u>
Legal	\$147,133	\$96,734
Advertising	123,348	-
Other	<u>17,250</u>	<u>-</u>
Total	<u>\$287,731</u>	<u>\$96,734</u>

Note 7 - Commitments

a - The Organization occupies a domestic office. The Organization also has lease obligations for the facilities operated by Asian University for Women in Bangladesh. The leases provide for minimum annual rentals as follows:

<u>Year Ending June 30,</u>	<u>Domestic</u>	<u>Bangladesh</u>	<u>Total</u>
2010	\$302,916	\$386,460	\$689,376
2011	302,916	378,674	681,590
2012	201,944	293,790	495,734
2013	-	225,363	225,363
2014	-	197,583	197,583
Through May 31, 2015	-	99,987	99,987

Rent expense for the eighteen months ended June 30, 2009 and year ended December 31, 2007 was \$ 787,781 and \$310,017, respectively.

b - The Organization has a voluntary salary reduction tax deferred 401(k) plan for the benefit of all qualifying employees. The Organization's contributes 8% of the salary for all participants. Amounts contributed for eighteen months ended June 30, 2009 and year ended December 31, 2007 are \$131,091 and \$73,869, respectively.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2009 AND DECEMBER 31, 2007****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 and Bangladesh. The balances at times may exceed federally insured limits.
- b - The Organization received 60% from two individuals and received 65% of its contributions from one foundation and one individual for the eighteen months ended June 30, 2009 and year ended December 31, 2007, respectively.
- c - As of June 30, 2009 89% of unconditional promises to give were due from one individual and two foundations. As of December 31, 2007 72% of unconditional promises to give were due from one foundation.

ADDITIONAL INFORMATION



**INDEPENDENT AUDITORS' 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 the eighteen months ended June 30, 2009 and year ended December 31, 2007 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 eighteen months ended June 30, 2009 with comparative totals for year ended December 31, 2007 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
October 14, 2009

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

EIGHTEEN MONTHS ENDED JUNE 30, 2009
WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2007

	Program Services				Supporting Services			Eighteen Months Ended June 30, 2009 Total Expenses	Year Ended December 31, 2007 Total Expenses
	Academic Planning	Access Academy	Campus Planning and Operations	Total	Management and General	Fundraising	Total		
Salaries, payroll taxes and employee benefits	\$ 912,592	\$ 216,140	\$ 168,109	\$1,296,841	\$ 552,359	\$ 552,358	\$1,104,717	\$ 2,401,558	\$ 1,227,340
Professional fees	247,729	774,116	1,445,810	2,467,655	180,401	238,953	419,354	2,887,009	1,318,369
Student services and supplies	20,002	336,953	31	356,986	5,582	-	5,582	362,568	-
Office occupancy	46,874	60,609	67,780	175,263	246,734	181,059	427,793	603,056	333,101
School and student dormitory occupancy	6,851	308,528	52,690	368,069	2,901	-	2,901	370,970	-
Travel and meetings	205,916	228,069	132,447	566,432	127,549	121,159	248,708	815,140	294,289
Office supplies and expenses	1,736	558,150	99,221	659,107	37,153	28	37,181	696,288	45,255
Printing	16,358	27,733	10,381	54,472	21,620	51,027	72,647	127,119	27,993
Postage	1,154	16,593	4,640	22,387	42,227	19,777	62,004	84,391	18,316
Dues and subscription	-	1,387	141	1,528	11,551	11,140	22,691	24,219	8,913
Insurance	93	574	1,346	2,013	6,371	-	6,371	8,384	4,693
Telephone	1,330	26,784	8,611	36,725	66,005	93	66,098	102,823	13,989
Bank charges	324	1,039	1,504	2,867	7,425	14,534	21,959	24,826	8,768
Miscellaneous	5,837	38,953	6,905	51,695	10,848	5,422	16,270	67,965	55,392
Total expenses before depreciation	1,466,796	2,595,628	1,999,616	6,062,040	1,318,726	1,195,550	2,514,276	8,576,316	3,356,418
Depreciation	7,074	-	8,488	15,562	27,586	27,587	55,173	70,735	23,340
Total Expenses, 2009	<u>\$1,473,870</u>	<u>\$2,595,628</u>	<u>\$ 2,008,104</u>	<u>\$6,077,602</u>	<u>\$ 1,346,312</u>	<u>\$ 1,223,137</u>	<u>\$2,569,449</u>	<u>\$ 8,647,051</u>	
Total Expenses, 2007	<u>\$ 344,788</u>	<u>\$ 309,547</u>	<u>\$ 1,014,287</u>	<u>\$1,668,622</u>	<u>\$ 723,186</u>	<u>\$ 987,950</u>	<u>\$1,711,136</u>		<u>\$ 3,379,758</u>