

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

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2011 AND 2010

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5-9
Supplementary Information	
Independent Auditors' Report on Supplementary Information	11
Schedule of Functional Expenses	12



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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, 2011 and 2010, 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 June 30, 2011 and 2010, 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
April 19, 2012

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Assets		
Cash and cash equivalents (Notes 1b and 9a)	\$ 2,960,103	\$ 369,819
Unconditional promises to give (Notes 1c and 9c)		
Unrestricted	39,405	244,221
Temporarily restricted	659,842	708,272
Prepaid expenses and other current assets	462,364	396,773
Security deposit	50,485	50,485
Property and equipment, at cost (net of accumulated depreciation) (Notes 1d and 4)	71,022	110,861
Investments (Notes 1e and 5)	<u>10,866,995</u>	<u>15,777,860</u>
Total Assets	<u>\$15,110,216</u>	<u>\$17,658,291</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 331,488	\$ 798,796
Security deposit payable	14,136	14,800
Deferred Revenue	9,060	-
Total Liabilities	<u>354,684</u>	<u>813,596</u>
Commitments (Note 7)		
Net Assets		
Unrestricted	7,321,222	7,638,532
Temporarily restricted (Note 2)	7,434,310	9,206,163
Total Net Assets	<u>14,755,532</u>	<u>16,844,695</u>
Total Liabilities and Net Assets	<u>\$15,110,216</u>	<u>\$17,658,291</u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Changes in Unrestricted Net Assets		
Revenue and Support		
Contributions (Note 9b)	\$ 6,972,707	\$ 4,271,382
Donated services (Note 6)	277,456	290,011
Subtenant rental income	111,576	93,446
Interest and dividend income	1,056	2,688
Miscellaneous income	252,214	37,308
Net assets released from restrictions		
Satisfaction of program and other restrictions	2,295,170	4,373,200
Total Revenue and Support	9,910,179	9,068,035
Expenses		
Program Services	8,202,595	5,589,921
Supporting Services		
Management and general	965,349	990,216
Fundraising	1,059,545	991,283
Total Supporting Services	2,024,894	1,981,499
Total Expenses	10,227,489	7,571,420
Increase (Decrease) in Unrestricted Net Assets	(317,310)	1,496,615
Changes in Temporarily Restricted Net Assets		
Contributions (Note 9b)	523,882	1,118,656
Bad debt expense	(1,756)	(40,000)
Interest and dividend income	1,191	8,161
Net assets released from restrictions	(2,295,170)	(4,373,200)
Decrease in Temporarily Restricted Net Assets	(1,771,853)	(3,286,383)
Decrease in net assets	(2,089,163)	(1,789,768)
Net assets, beginning of year	16,844,695	18,634,463
Net Assets, End of Year	\$14,755,532	\$16,844,695

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities		
Decrease in net assets	\$ (2,089,163)	\$(1,789,768)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	46,199	51,216
Bad debt	1,756	40,000
(Increase) decrease in:		
Unconditional promises to give	251,490	1,429,787
Prepaid expenses and other current assets	(65,591)	(83,464)
Increase (decrease) in:		
Accounts payable and accrued expenses	(467,308)	341,763
Security deposit payable	(664)	2,832
Deferred Revenue	9,060	-
Net Cash Used By Operating Activities	<u>(2,314,221)</u>	<u>(7,634)</u>
Cash Flows From Investing Activities		
Purchase of investments	(42,950)	(5,224,568)
Sale of investments	4,953,815	4,920,469
Purchase of computer and equipment	(6,360)	(4,990)
Net Cash Provided (Used) By Investing Activities	<u>4,904,505</u>	<u>(309,089)</u>
Net increase (decrease) in cash and cash equivalents	2,590,284	(316,723)
Cash and cash equivalents, beginning of year	<u>369,819</u>	<u>686,542</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,960,103</u></u>	<u><u>\$ 369,819</u></u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2011 AND 2010****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

Asian University for Women (AUW) 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. Interest, dividends, and gains and losses on investments are reflected 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. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in unrestricted net assets if the restrictions are met in the same fiscal year in which the gains and other investment income are recognized.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2011 AND 2010****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****e - Investments (continued)**

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). The Organization is required to use 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 and 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 based on available information about what market participants would use in valuing the asset or liability and are referred to as Level 3 inputs.

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.

Investments in money market mutual funds 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. Management has evaluated all income tax positions, including the position that the Organization is exempt from income taxes or not subject to income taxes or unrelated business income, and concluded that no disclosures relating to uncertain tax positions are required in the financial statements. The Organization's tax returns for years prior to 2008 are no longer subject to examination by taxing authorities.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011 AND 2010

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

i - Subsequent Events

The Organization has evaluated subsequent events through April 19, 2012, the date that the financial statements are considered available to be issued.

Note 2 - Restricted Net 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, 2011 and 2010 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>2011</u>	<u>2010</u>
Computer equipment and software	3-5 years	\$141,266	\$136,683
Furniture	7 years	65,016	63,239
Automobile	5 years	<u>69,767</u>	<u>69,767</u>
		276,049	269,689
Less: Accumulated depreciation		<u>(205,027)</u>	<u>(158,828)</u>
Total		<u>\$ 71,022</u>	<u>\$110,861</u>

Depreciation expense for years ended June 30, 2011 and 2010 was \$46,199 and \$51,216, respectively.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011 AND 2010

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. Market value equaled cost at both June 30, 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Money market fund held at Common Fund Group	\$ 4,164,730	\$ 5,792,413
Money market fund held at Vanguard Group	6,646,102	8,629,378
Money market fund held at Fidelity Investments	<u>56,163</u>	<u>1,356,069</u>
	<u>\$10,866,995</u>	<u>\$15,777,860</u>

Note 6 - Donated Services

Donated services consist of the following at June 30:

	<u>2011</u>	<u>2010</u>
Legal	\$ 24,276	\$128,041
Advertising	211,533	140,541
Other	<u>41,647</u>	<u>21,429</u>
Total	<u>\$277,456</u>	<u>\$290,011</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>Domestic</u>	<u>Banladesh</u>	<u>Total</u>
<u>Year Ending June 30,</u>			
2012	\$165,000	\$641,000	\$806,000
2013	96,000	570,000	666,000
2014	32,000	397,000	429,000
2015	-	305,000	305,000
2016	-	205,000	205,000
Through June 30, 2017	-	52,000	52,000

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2011 AND 2010****Note 7 - Commitments (continued)**

a - (continued)

Rent expense for the years ended June 30, 2011 and 2010 was \$847,301 and \$681,635, respectively.

b - The Organization has a voluntary salary reduction tax deferred 401(k) plan for the benefit of all qualifying employees. The Organization contributes 8% of the salary of each participant. Amounts contributed for the years ended June 30, 2011 and 2010 totaled \$146,221 and \$100,980, respectively.

Note 8 - Functional Allocation of Expenses

The cost of providing the various program and 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 68% its contributions from one individual and two foundations during the year ended June 30, 2011, and 43% of its contributions from one individual during the year ended June 30, 2010.

c - As of June 30, 2011, 62% of unconditional promises to give were due from one individual and three foundations. As of June 30, 2010, 77% of unconditional promises to give were due from two individuals and three foundations.

SUPPLEMENTARY INFORMATION



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**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION**

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

We have audited the financial statements of Asian University for Women (AUW) Support Foundation as of and for the years ended June 30, 2011 and 2010, and have issued our report thereon dated April 19, 2012, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the year ended June 30, 2011 with comparative totals for 2010 is presented for the 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 audits 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.

Lutz + Carr, LLP

New York, New York
April 19, 2012

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2011 WITH COMPARATIVE TOTALS FOR 2010

	Program Services				Supporting Services			2011	2010
	University	Access Academy	Campus Planning and Operations	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries, payroll taxes and employee benefits	\$1,433,267	\$ 70,489	\$ 70,489	\$1,574,245	\$ 399,434	\$ 375,939	\$ 775,373	\$ 2,349,618	\$2,478,946
Professional fees	1,016,140	467,310	1,418,997	2,902,447	45,123	223,481	268,604	3,171,051	1,895,270
Student services and supplies	511,114	375,002	-	886,116	3,731	61	3,792	889,908	355,447
Office occupancy	126,670	71,816	39,489	237,975	153,322	122,853	276,175	514,150	466,050
School and student dormitory occupancy	380,106	185,626	24,437	590,169	-	-	-	590,169	426,593
Travel and meetings	539,194	231,083	2,461	772,738	156,397	219,645	376,042	1,148,780	776,654
Office supplies and expenses	655,396	258,169	1,541	915,106	31,128	990	32,118	947,224	807,297
Printing	43,741	20,155	13	63,909	8,957	66,644	75,601	139,510	43,899
Postage	17,412	9,442	-	26,854	56,678	7,366	64,044	90,898	50,469
Dues and subscription	21,939	855	-	22,794	9,181	5,535	14,716	37,510	23,029
Insurance	194	2,169	-	2,363	6,703	-	6,703	9,066	8,522
Telephone	56,761	12,411	50	69,222	39,298	2,719	42,017	111,239	78,462
Bank charges	13,348	656	-	14,004	25,105	5,539	30,644	44,648	31,031
Miscellaneous	41,974	60,220	12,296	114,490	12,274	10,755	23,029	137,519	78,535
Total expenses before depreciation	4,857,256	1,765,403	1,569,773	8,192,432	947,331	1,041,527	1,988,858	10,181,290	7,520,204
Depreciation	4,620	-	5,543	10,163	18,018	18,018	36,036	46,199	51,216
Total Expenses, 2011	<u>\$4,861,876</u>	<u>\$1,765,403</u>	<u>\$ 1,575,316</u>	<u>\$8,202,595</u>	<u>\$ 965,349</u>	<u>\$1,059,545</u>	<u>\$2,024,894</u>	<u>\$10,227,489</u>	
Total Expenses, 2010	<u>\$3,253,968</u>	<u>\$1,577,935</u>	<u>\$ 758,018</u>	<u>\$5,589,921</u>	<u>\$ 990,216</u>	<u>\$ 991,283</u>	<u>\$1,981,499</u>		<u>\$7,571,420</u>

See independent auditors' report on supplementary information.