

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

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2012 AND 2011

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, 2012 and 2011, 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, 2012 and 2011, 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
September 30, 2012

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Assets		
Cash and cash equivalents (Notes 1b and 9a)	\$ 2,196,492	\$ 2,960,103
Unconditional promises to give (Notes 1c and 9c)		
Unrestricted	20,000	39,405
Temporarily restricted	5,990,154	659,842
Prepaid expenses and other current assets	409,138	462,364
Security deposit	16,008	50,485
Property and equipment, at cost (net of accumulated depreciation) (Notes 1d and 4)	36,295	71,022
Investments (Notes 1e and 5)	<u>6,118,697</u>	<u>10,866,995</u>
Total Assets	<u><u>\$14,786,784</u></u>	<u><u>\$15,110,216</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 411,149	\$ 331,488
Security deposit payable	-	14,136
Deferred revenue	-	9,060
Total Liabilities	<u>411,149</u>	<u>354,684</u>
Commitments (Note 7)		
Net Assets		
Unrestricted	2,938,661	7,321,222
Temporarily restricted (Note 2)	<u>11,436,974</u>	<u>7,434,310</u>
Total Net Assets	<u>14,375,635</u>	<u>14,755,532</u>
Total Liabilities and Net Assets	<u><u>\$14,786,784</u></u>	<u><u>\$15,110,216</u></u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Changes in Unrestricted Net Assets		
Revenue and Support		
Contributions (Note 9b)	\$ 2,497,988	\$ 6,972,707
Donated services (Note 6)	404,786	277,456
Subtenant rental income	36,238	111,576
Interest and dividend income	260	1,056
Miscellaneous income	11,935	252,214
Net assets released from restrictions		
Satisfaction of program and other restrictions	<u>2,181,757</u>	<u>2,295,170</u>
Total Revenue and Support	<u>5,132,964</u>	<u>9,910,179</u>
Expenses		
Program Services		
University	5,690,169	4,861,876
Access Academy	1,123,268	1,765,403
Campus Planning and Operations	<u>1,207,731</u>	<u>1,575,316</u>
Total Program Services	<u>8,021,168</u>	<u>8,202,595</u>
Supporting Services		
Management and general	894,756	965,349
Fundraising	<u>599,601</u>	<u>1,059,545</u>
Total Supporting Services	<u>1,494,357</u>	<u>2,024,894</u>
Total Expenses	<u>9,515,525</u>	<u>10,227,489</u>
Decrease in Unrestricted Net Assets	<u>(4,382,561)</u>	<u>(317,310)</u>
Changes in Temporarily Restricted Net Assets		
Contributions (Note 9)	6,185,113	523,882
Bad debt expense	(1,265)	(1,756)
Interest and dividend income	573	1,191
Net assets released from restrictions	<u>(2,181,757)</u>	<u>(2,295,170)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>4,002,664</u>	<u>(1,771,853)</u>
Decrease in net assets	(379,897)	(2,089,163)
Net assets, beginning of year	<u>14,755,532</u>	<u>16,844,695</u>
Net Assets, End of Year	<u><u>\$14,375,635</u></u>	<u><u>\$14,755,532</u></u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
Cash Flows From Operating Activities		
Decrease in net assets	\$ (379,897)	\$ (2,089,163)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	34,727	46,199
Bad debt	1,265	1,756
(Increase) decrease in:		
Unconditional promises to give	(5,312,172)	251,490
Prepaid expenses and other current assets	53,226	(65,591)
Security deposits	34,477	-
Increase (decrease) in:		
Accounts payable and accrued expenses	79,661	(467,308)
Security deposit payable	(14,136)	(664)
Deferred revenue	(9,060)	9,060
Net Cash Used By Operating Activities	(5,511,909)	(2,314,221)
 Cash Flows From Investing Activities		
Purchase of investments	(2,656,337)	(42,950)
Sale of investments	7,404,635	4,953,815
Purchase of computer and equipment	-	(6,360)
Net Cash Provided By Investing Activities	4,748,298	4,904,505
 Net increase (decrease) in cash and cash equivalents	(763,611)	2,590,284
Cash and cash equivalents, beginning of year	2,960,103	369,819
 Cash and Cash Equivalents, End of Year	\$ 2,196,492	\$ 2,960,103

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2012 AND 2011****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

Asian University for Women (AUW) Support Foundation (the "Organization") supports the funding, operation and management of the Asian University for Women, a separate legal entity in Bangladesh. Principal activities include the planning of academic 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 expensed.

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, 2012 AND 2011****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 2009 are no longer subject to examination by taxing authorities.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

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

i - Advertising

Advertising costs are charged to operations when the advertising first takes place. Advertising expense for the years ended June 30, 2012 and 2011 was \$321,681 and \$288,327, respectively.

j - Subsequent Events

The Organization has evaluated subsequent events through September 30, 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 are due as follows:

	<u>2012</u>			<u>2011</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
Due in less than one year	\$20,000	\$2,545,686	\$2,565,686	\$699,247
Due in one to five years	-	3,667,468	3,667,468	-
	<u>20,000</u>	<u>6,213,154</u>	<u>6,233,154</u>	<u>699,247</u>
Less: Discount to present value	-	(223,000)	(223,000)	-
	<u>\$20,000</u>	<u>\$5,990,154</u>	<u>\$6,010,154</u>	<u>\$699,247</u>

Unconditional promises to give which are due after one year are discounted to net present value using a discount rate of 3% per annum. Uncollectible promises are expected to be insignificant.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

Note 4 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2012</u>	<u>2011</u>
Computer equipment and software	3-5 years	\$141,266	\$141,266
Furniture	7 years	63,796	65,016
Automobile	5 years	<u>69,767</u>	<u>69,767</u>
		274,829	276,049
Less: Accumulated depreciation		<u>(238,534)</u>	<u>(205,027)</u>
Total		<u>\$ 36,295</u>	<u>\$ 71,022</u>

Depreciation expense for years ended June 30, 2012 and 2011 was \$34,727 and \$46,199, 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 money market funds. Market value equaled cost at both June 30, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Money Market Funds Held at:		
Common Fund Group	\$2,201,649	\$ 4,164,730
Vanguard Group	3,810,864	6,646,102
Fidelity Investments	<u>106,184</u>	<u>56,163</u>
	<u>\$6,118,697</u>	<u>\$10,866,995</u>

Note 6 - Donated Services

Donated services consist of the following at June 30:

	<u>2012</u>	<u>2011</u>
Legal	\$116,743	\$ 24,276
Advertising	278,628	211,533
Other	<u>9,415</u>	<u>41,647</u>
	<u>\$404,786</u>	<u>\$277,456</u>

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

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>
2013	\$96,000	\$570,000	\$666,000
2014	32,000	397,000	429,000
2015	-	305,000	305,000
2016	-	205,000	205,000
Thereafter, through June 30, 2017	-	52,000	52,000

Rent expense for the years ended June 30, 2012 and 2011 was \$740,629 and \$847,301, 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 for all participants. Amounts contributed for the years ended June 30, 2012 and 2011 totaled \$59,087 and \$115,526, 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 89% of its contributions from two foundations and one government organization during the year ended June 30, 2012, and 68% of its contributions from one individual and two foundations during the year ended June 30, 2011.
- c - As of June 30, 2012, 88% of unconditional promises to give were due from two foundations and one government organization. As of June 30, 2011, 62% of unconditional promises to give were due from one individual 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, 2012 and 2011, and have issued our report thereon dated September 30, 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, 2012 with comparative totals for 2011 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
September 30, 2012

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE TOTALS FOR 2011

	Program Services				Supporting Services			2012	2011
	University	Access Academy	Campus Planning and Operations	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries, payroll taxes and employee benefits	\$1,964,585	\$ 54,572	\$ 54,572	\$2,073,729	\$ 382,003	\$ 272,859	\$ 654,862	\$2,728,591	\$ 2,349,618
Consulting fees/temporary staff	998,374	355,872	131,815	1,486,061	7,610	71,814	79,424	1,565,485	1,418,336
Advertising and promotion	242,072	51,144	-	293,216	7,701	20,764	28,465	321,681	288,327
Professional fees	304,789	50,742	939,887	1,295,418	243,310	17,374	260,684	1,556,102	1,464,388
Student services and supplies	373,566	193,380	-	566,946	2,299	-	2,299	569,245	889,908
Office occupancy	145,051	69,602	22,233	236,886	87,608	68,474	156,082	392,968	514,150
School and student dormitory occupancy	400,714	174,402	18,485	593,601	-	-	-	593,601	590,169
Travel and meetings	615,575	83,942	8,399	707,916	21,799	111,957	133,756	841,672	1,148,780
Office supplies and expenses	444,975	60,678	21,973	527,626	7,921	154	8,075	535,701	947,224
Printing	38,203	8,348	-	46,551	227	4,867	5,094	51,645	139,510
Postage	27,941	1,914	-	29,855	33,934	1,065	34,999	64,854	90,898
Dues and subscription	4,830	566	-	5,396	4,074	9,404	13,478	18,874	37,510
Insurance	5,246	1,917	-	7,163	10,581	-	10,581	17,744	9,066
Telephone	48,946	7,709	27	56,682	39,026	306	39,332	96,014	111,239
Bank charges	13,644	545	-	14,189	2,851	5,442	8,293	22,482	44,648
Miscellaneous	58,185	7,935	6,173	72,293	30,269	1,577	31,846	104,139	137,519
Total expenses before depreciation	5,686,696	1,123,268	1,203,564	8,013,528	881,213	586,057	1,467,270	9,480,798	10,181,290
Depreciation	3,473	-	4,167	7,640	13,543	13,544	27,087	34,727	46,199
Total Expenses, 2012	<u>\$5,690,169</u>	<u>\$1,123,268</u>	<u>\$ 1,207,731</u>	<u>\$8,021,168</u>	<u>\$ 894,756</u>	<u>\$ 599,601</u>	<u>\$1,494,357</u>	<u>\$9,515,525</u>	
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>

See independent auditors' report on supplementary information.