

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

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2013 AND 2012

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 financial statements of Asian University for Women (AUW) Support Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities 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.

Auditors' 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. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

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, 2013 and 2012, 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.

Lotz + Carr, LLP

New York, New York
October 31, 2013

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2013 AND 2012

	2013	2012
Assets		
Cash and cash equivalents (Notes 1b and 9a)	\$ 1,418,302	\$ 2,196,492
Unconditional promises to give (Notes 1c and 9c)		
Unrestricted	-	20,000
Temporarily restricted	5,992,121	5,990,154
Prepaid expenses and other current assets	462,763	409,138
Security deposit	16,008	16,008
Investments (Notes 1d and 4)	4,319,878	6,118,697
Property and equipment, at cost (net of accumulated depreciation) (Notes 1e and 5)	17,136	36,295
 Total Assets	 \$12,226,208	 \$14,786,784
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 728,022	\$ 411,149
Security deposit payable	2,930	-
Total Liabilities	730,952	411,149
Commitments (Note 7)		
Net Assets		
Unrestricted	626,699	2,938,661
Temporarily restricted (Note 2)	10,868,557	11,436,974
Total Net Assets	11,495,256	14,375,635
 Total Liabilities and Net Assets	 \$12,226,208	 \$14,786,784

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Changes in Unrestricted Net Assets		
Revenue and Support		
Contributions (Note 9b)	\$ 1,103,418	\$ 2,497,988
Donated services (Note 6)	370,543	404,786
Subtenant rental income	19,000	36,238
Interest and dividend income	259	260
Miscellaneous income	4,648	11,935
Net assets released from restrictions		
Satisfaction of program and other restrictions	<u>3,034,802</u>	<u>2,181,757</u>
Total Revenue and Support	<u>4,532,670</u>	<u>5,132,964</u>
Expenses		
Program Services		
University	4,653,956	5,690,169
Access Academy	844,507	1,123,268
Campus Planning and Operations	148,116	1,207,731
Total Program Services	<u>5,646,579</u>	<u>8,021,168</u>
Supporting Services		
Management and general	579,932	894,756
Fundraising	618,121	599,601
Total Supporting Services	<u>1,198,053</u>	<u>1,494,357</u>
Total Expenses	<u>6,844,632</u>	<u>9,515,525</u>
Decrease in Unrestricted Net Assets	<u>(2,311,962)</u>	<u>(4,382,561)</u>
Changes in Temporarily Restricted Net Assets		
Contributions (Note 9b)	2,554,717	6,185,113
Unfulfilled pledges	(100,246)	(1,265)
Interest and dividend income	11,914	573
Net assets released from restrictions	<u>(3,034,802)</u>	<u>(2,181,757)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(568,417)</u>	<u>4,002,664</u>
Decrease in net assets	(2,880,379)	(379,897)
Net assets, beginning of year	<u>14,375,635</u>	<u>14,755,532</u>
Net Assets, End of Year	<u><u>\$11,495,256</u></u>	<u><u>\$14,375,635</u></u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Cash Flows From Operating Activities		
Decrease in net assets	\$ (2,880,379)	\$ (379,897)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	22,798	34,727
Unfulfilled pledges	100,246	1,265
(Increase) decrease in:		
Unconditional promises to give	(82,213)	(5,312,172)
Prepaid expenses and other current assets	(53,625)	53,226
Security deposit	-	34,477
Increase (decrease) in:		
Accounts payable and accrued expenses	316,873	79,661
Security deposit payable	2,930	(14,136)
Deferred revenue	-	(9,060)
Net Cash Used By Operating Activities	(2,573,370)	(5,511,909)
 Cash Flows From Investing Activities		
Purchase of investments	(1,682,402)	(2,656,337)
Sale of investments	3,481,221	7,404,635
Purchase of property and equipment	(3,639)	-
Net Cash Provided By Investing Activities	1,795,180	4,748,298
 Net decrease in cash and cash equivalents	(778,190)	(763,611)
Cash and cash equivalents, beginning of year	2,196,492	2,960,103
 Cash and Cash Equivalents, End of Year	\$ 1,418,302	\$ 2,196,492

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2013 AND 2012****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 - 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.

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.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2013 AND 2012****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****d - Investments (continued)**

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.

e - 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.

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 2010 are generally no longer subject to examination by taxing authorities.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

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 periods ending June 30, 2013 and 2012, were \$45,191 and \$43,053.

j - Subsequent Events

The Organization has evaluated subsequent events through October 31, 2013, the date that the financial statements are considered available to be issued.

Note 2 - Restrictions on 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>2013</u>	<u>2012</u>
Due in less than one year	\$2,637,636	\$2,565,686
Due in one to five years	<u>3,601,768</u>	<u>3,667,468</u>
	6,239,404	6,233,154
Less: Discount to present value	<u>(247,283)</u>	<u>(223,000)</u>
	<u>\$5,992,121</u>	<u>\$6,010,154</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, 2013 AND 2012

Note 4 - 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, 2013 and 2012.

	2013	2012
Money Market Funds Held At:		
Common Fund Group	\$1,227,231	\$2,201,649
Vanguard Group	3,086,453	3,810,864
Fidelity Investments	6,194	106,184
	\$4,319,878	\$6,118,697

Note 5 - Property and Equipment

Property and equipment consist of the following:

	Life	2013	2012
Computer equipment and software	3-5 years	\$144,905	\$141,266
Furniture	7 years	63,796	63,796
Automobile	5 years	69,767	69,767
		278,468	274,829
Less: Accumulated depreciation		(261,332)	(238,534)
Total		\$ 17,136	\$ 36,295

Depreciation expense for years ended June 30, 2013 and 2012 was \$22,798 and \$34,727, respectively.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

Note 6 - Donated Services

Donated services consist of the following:

	<u>2013</u>	<u>2012</u>
Legal	\$ 67,987	\$116,743
Donated Google services	275,376	278,628
Travel and meetings	<u>27,180</u>	<u>9,415</u>
Total	<u>\$370,543</u>	<u>\$404,786</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>Banqladesh</u>	<u>Total</u>
2014	\$32,000	\$663,000	\$695,000
2015	-	567,000	567,000
2016	-	447,000	447,000
2017	-	259,000	259,000
Thereafter, through June 30, 2018	-	90,000	90,000

Rent expense for the years ended June 30, 2013 and 2012 was \$582,368 and \$740,629, 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, 2013 and 2012 totaled \$70,202 and \$59,087, 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. University program service expenses does not include approximately \$1,300,000 of expenditures it funded directly during the year ended June 30, 2013.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2013 AND 2012****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 44% of its contributions from one corporation and one foundation during the year ended June 30, 2013, and 89% of its contributions from two foundations and one government organization during the year ended June 30, 2012.
- c - As of June 30, 2013, 80% of unconditional promises to give were due from one corporation, two foundations, and one government organization. As of June 30, 2012, 88% of unconditional promises to give were due from two foundations and one government organization.

SUPPLEMENTARY INFORMATION



LUTZ AND CARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP
300 EAST 42ND ST., NEW YORK, NY 10017
212-697-2299 Fax 212-949-1768

**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, 2013 and 2012, and our report thereon dated October 31, 2013, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted 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, 2013 with comparative totals for 2012 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 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
October 31, 2013

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012

	Program Services				Supporting Services			2013	2012
	University	Access Academy	Campus Planning and Operations	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries, payroll taxes and employee benefits	\$1,806,462	\$ -	\$ -	\$1,806,462	\$ 232,158	\$ 398,146	\$ 630,304	\$2,436,766	\$2,728,591
Consulting fees/temporary staff	851,817	279,527	76,310	1,207,654	7,130	18,686	25,816	1,233,470	1,565,485
Advertising and promotion	19,278	2,650	-	21,928	-	23,263	23,263	45,191	43,053
Donated Google services	220,301	55,075	-	275,376	-	-	-	275,376	278,628
Professional fees	25,620	2,273	60,361	88,254	72,531	61,309	133,840	222,094	1,556,102
Student services and supplies	378,304	93,932	-	472,236	1,665	442	2,107	474,343	569,245
Office occupancy	93,833	26,829	2,619	123,281	63,420	50,795	114,215	237,496	392,968
School and student dormitory occupancy	328,334	154,441	5,844	488,619	-	-	-	488,619	593,601
Travel and meetings	397,819	107,758	43	505,620	92,234	38,754	130,988	636,608	841,672
Office supplies and expenses	414,991	100,015	-	515,006	4,826	20	4,846	519,852	535,701
Printing	12,012	348	-	12,360	7,496	-	7,496	19,856	51,645
Postage	11,162	-	-	11,162	16,274	1,077	17,351	28,513	64,854
Dues and subscription	6,010	1,264	-	7,274	5,185	8,864	14,049	21,323	18,874
Insurance	594	-	-	594	3,179	-	3,179	3,773	17,744
Telephone	24,362	8,130	-	32,492	21,208	2,815	24,023	56,515	96,014
Bank charges	6,695	810	-	7,505	3,823	2,165	5,988	13,493	22,482
Miscellaneous	50,546	11,455	2,939	64,940	40,312	3,294	43,606	108,546	104,139
Total expenses before depreciation	4,648,140	844,507	148,116	5,640,763	571,441	609,630	1,181,071	6,821,834	9,480,798
Depreciation	5,816	-	-	5,816	8,491	8,491	16,982	22,798	34,727
Total Expenses, 2013	<u>\$4,653,956</u>	<u>\$ 844,507</u>	<u>\$ 148,116</u>	<u>\$5,646,579</u>	<u>\$ 579,932</u>	<u>\$ 618,121</u>	<u>\$1,198,053</u>	<u>\$6,844,632</u>	
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>

See independent auditors' report on supplementary information.