

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

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2015 AND 2014

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, 2015 and 2014, 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, 2015 and 2014, 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 20, 2015

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash and cash equivalents (Notes 1b and 9a)	\$ 609,601	\$ 615,141
Unconditional promises to give - temporarily restricted (Notes 1c, 3 and 9c)	6,267,551	8,852,793
Prepaid expenses and other current assets	88,095	212,701
Security deposit	11,284	11,284
Investments (Notes 1d and 4)	4,447,532	5,170,057
Property and equipment, at cost (net of accumulated depreciation) (Notes 1e and 5)	<u>12,160</u>	<u>18,065</u>
Total Assets	<u><u>\$11,436,223</u></u>	<u><u>\$14,880,041</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 249,057</u>	<u>\$ 403,068</u>
Commitments (Note 7)		
Net Assets		
Unrestricted	548,678	503,751
Temporarily restricted (Note 2)	<u>10,638,488</u>	<u>13,973,222</u>
Total Net Assets	<u>11,187,166</u>	<u>14,476,973</u>
Total Liabilities and Net Assets	<u><u>\$11,436,223</u></u>	<u><u>\$14,880,041</u></u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Changes in Unrestricted Net Assets		
Revenue and Support		
Contributions (Note 9b)	\$ 1,644,779	\$ 1,596,713
Donated Google advertising services (Note 6)	153,738	133,354
Subtenant rental income	-	13,000
Interest and dividend income	43	1,080
Miscellaneous income	7,188	6,105
Net assets released from restrictions		
Satisfaction of program and other restrictions	4,013,881	4,998,420
Total Revenue and Support	5,819,629	6,748,672
Expenses		
Program Services		
University	3,784,270	4,940,108
Access Academy	865,515	875,218
Campus Planning and Operations	1,318	16,807
Total Program Services	4,651,103	5,832,133
Supporting Services		
Management and general	405,566	424,696
Fundraising	718,033	614,791
Total Supporting Services	1,123,599	1,039,487
Total Expenses	5,774,702	6,871,620
Increase (Decrease) in Unrestricted Net Assets	44,927	(122,948)
Changes in Temporarily Restricted Net Assets		
Contributions (Note 9b)	675,387	8,200,220
Unfulfilled pledges	-	(103,593)
Interest and dividend income	3,760	6,458
Net assets released from restrictions	(4,013,881)	(4,998,420)
Increase (Decrease) in Temporarily Restricted Net Assets	(3,334,734)	3,104,665
Increase (decrease) in net assets	(3,289,807)	2,981,717
Net assets, beginning of year	14,476,973	11,495,256
Net Assets, End of Year	\$11,187,166	\$14,476,973

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$(3,289,807)	\$ 2,981,717
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	7,085	10,406
Unfulfilled pledges	-	103,593
(Increase) decrease in:		
Unconditional promises to give	2,585,242	(2,964,265)
Prepaid expenses and other current assets	124,606	250,062
Security deposit	-	4,724
Increase (decrease) in:		
Accounts payable and accrued expenses	(154,011)	(324,954)
Security deposit payable	-	(2,930)
Net Cash Provided (Used) By Operating Activities	(726,885)	58,353
 Cash Flows From Investing Activities		
Purchase of investments	(3,599,386)	(5,100,544)
Sale of investments	4,321,911	4,250,365
Purchase of property and equipment	(1,180)	(11,335)
Net Cash Provided (Used) By Investing Activities	721,345	(861,514)
 Net decrease in cash and cash equivalents	(5,540)	(803,161)
Cash and cash equivalents, beginning of year	615,141	1,418,302
 Cash and Cash Equivalents, End of Year	\$ 609,601	\$ 615,141

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015 AND 2014****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

Asian University for Women (AUW) Support Foundation (the "Organization") is a 501(c)(3) United States nonprofit located in Cambridge, Massachusetts. Incorporated in 2001, the Organization is the principal agency responsible for mobilization of resources for the Asian University for Women (the "University"). The University is a liberal arts university located in Chittagong, Bangladesh, which educates talented women from across Asia and the Middle East to be the region's next generation of women leaders. As the majority of its students are on full scholarship, the University requires significant philanthropic support, which the Organization provides. More information on the Organization can be found here: <http://asian-university.org/>.

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.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015 AND 2014****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****d - 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.

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.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

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. 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 are generally subject to examination by taxing authorities for a period of three years from the date of filing.

i - Advertising

Advertising costs are charged to operations when the advertising first takes place. Advertising expense for the years ending June 30, 2015 and 2014 was \$13,739 and \$10,012, respectively.

j - Subsequent Events

The Organization has evaluated subsequent events through October 20, 2015, 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>2015</u>	<u>2014</u>
Due in less than one year	\$ 998,271	\$3,204,993
Due in one to five years	<u>5,717,248</u>	<u>6,142,868</u>
	6,715,519	9,347,861
Less: Discount to present value	<u>(447,968)</u>	<u>(495,068)</u>
	<u>\$6,267,551</u>	<u>\$8,852,793</u>

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 3 - Unconditional Promises to Give (continued)

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.

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:

	<u>2015</u>	<u>2014</u>
Money Market Funds Held At:		
Common Fund Group	\$2,924,559	\$3,227,680
Vanguard Group	1,516,771	1,936,183
Fidelity Investments	<u>6,202</u>	<u>6,194</u>
	<u>\$4,447,532</u>	<u>\$5,170,057</u>

Market value equaled cost at both June 30, 2015 and 2014.

Note 5 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2015</u>	<u>2014</u>
Computer equipment and software	3-5 years	\$157,420	\$156,240
Furniture	7 years	63,796	63,796
Automobile	5 years	<u>69,767</u>	<u>69,767</u>
		290,983	289,803
Less: Accumulated depreciation		<u>(278,823)</u>	<u>(271,738)</u>
Total		<u>\$ 12,160</u>	<u>\$ 18,065</u>

Depreciation expense for years ended June 30, 2015 and 2014 was \$7,085 and \$10,406, respectively.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 6 - Donated Services

Donated services consist of the following:

	<u>2015</u>	<u>2014</u>
Legal	\$ 25,022	\$ 23,148
Donated Google advertising services	124,967	107,882
Audit	<u>3,749</u>	<u>2,324</u>
Total	<u>\$153,738</u>	<u>\$133,354</u>

Note 7 - Commitments

a - The Organization occupies a domestic office. The Organization also funds lease obligations for the facilities operated by the Asian University for Women in Bangladesh (the "University"). The Bangladesh lease obligations are the University's, but funded by the Organization, therefore included below. The leases provide for minimum annual rentals as follows:

<u>Year Ending June 30,</u>	<u>Domestic</u>	<u>Bangladesh</u>	<u>Total</u>
2016	\$156,000	\$627,000	\$783,000
2017	133,000	341,000	474,000
2018	133,000	128,000	261,000
2019	133,000	-	133,000
2020	133,000	-	133,000

Rent expense for the years ended June 30, 2015 and 2014 was \$817,617 and \$790,861, 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, 2015 and 2014 totaled \$81,372 and \$92,401, respectively.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015 AND 2014****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 \$462,000 and \$638,000 of expenditures it funded directly during the years ended June 30, 2015 and 2014, respectively.

Note 9 - Concentrations

- a - The Organization maintains its cash and certain of its investment balances in financial institutions located in Massachusetts and Bangladesh. The balances, at times, may exceed federally insured limits.
- b - During the year ended June 30, 2015, the Organization received 34% of its contributions from one individual and one corporation. During the year ended June 30, 2014, 69% of its contributions were received from two foundations.
- c - As of June 30, 2015, 63% of unconditional promises to give were due from two foundations and one corporation. As of June 30, 2014, 79% of unconditional promises to give were due from two foundations and one corporation.

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, 2015 and 2014, and our report thereon dated October 20, 2015, 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, 2015 with comparative totals for 2014 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 20, 2015

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE TOTALS FOR 2014

	Program Services			Supporting Services			2015	2014	
	University	Access Academy	Campus Planning and Operations	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries, payroll taxes and employee benefits	\$1,143,152	\$285,788	\$ -	\$1,428,940	\$ 216,024	\$ 347,577	\$ 563,601	\$1,992,541	\$2,943,716
Consulting fees/Local and Temporary staff	1,071,429	189,076	1,318	1,261,823	8,517	203,356	211,873	1,473,696	1,329,466
Advertising and promotion	8,515	2,129	-	10,644	-	3,095	3,095	13,739	10,012
Donated Google advertising services	99,973	24,994	-	124,967	-	-	-	124,967	107,882
Professional fees	48,749	12,187	-	60,936	84,333	26,760	111,093	172,029	113,847
Student services and supplies	308,343	64,586	-	372,929	2,410	-	2,410	375,339	647,600
Office occupancy	240,307	60,077	-	300,384	33,988	33,988	67,976	368,360	300,557
School and student dormitory occupancy	600,124	150,031	-	750,155	-	-	-	750,155	710,712
Conferences, travel and meetings	206,194	64,049	-	270,243	8,942	80,479	89,421	359,664	510,853
Office supplies and expenses	12,062	3,015	-	15,077	8,973	221	9,194	24,271	25,937
Printing	8,306	2,076	-	10,382	-	6,641	6,641	17,023	27,205
Postage	1,070	267	-	1,337	12,387	2,424	14,811	16,148	20,495
Dues and subscription	4,003	1,001	-	5,004	3,902	5,473	9,375	14,379	9,597
Insurance	1,573	393	-	1,966	3,829	-	3,829	5,795	5,385
Telephone	17,221	4,305	-	21,526	16,220	1,846	18,066	39,592	44,793
Bank charges	5,041	1,260	-	6,301	2,583	5,501	8,084	14,385	11,546
Miscellaneous	1,123	281	-	1,404	3,458	672	4,130	5,534	41,611
Total expenses before depreciation	3,777,185	865,515	1,318	4,644,018	405,566	718,033	1,123,599	5,767,617	6,861,214
Depreciation	7,085	-	-	7,085	-	-	-	7,085	10,406
Total Expenses, 2015	<u>\$3,784,270</u>	<u>\$865,515</u>	<u>\$ 1,318</u>	<u>\$4,651,103</u>	<u>\$ 405,566</u>	<u>\$ 718,033</u>	<u>\$1,123,599</u>	<u>\$5,774,702</u>	
Total Expenses, 2014	<u>\$4,940,108</u>	<u>\$875,218</u>	<u>\$ 16,807</u>	<u>\$5,832,133</u>	<u>\$ 424,696</u>	<u>\$ 614,791</u>	<u>\$1,039,487</u>		<u>\$6,871,620</u>

See independent auditors' report on supplementary information.