

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

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2016 AND 2015

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, 2016 and 2015, 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, 2016 and 2015, 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 18, 2016

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

	2016	2015
Assets		
Cash and cash equivalents (Notes 1b and 9a)	\$ 1,365,662	\$ 609,601
Unconditional promises to give - temporarily restricted (Notes 1c, 3 and 9c)	5,755,281	6,267,551
Prepaid expenses and other current assets	65,447	88,095
Security deposit	-	11,284
Investments (Notes 1d and 4)	4,473,104	4,447,532
Property and equipment, at cost (net of accumulated depreciation) (Notes 1e and 5)	59,302	12,160
Total Assets	\$11,718,796	\$11,436,223
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 204,667	\$ 249,057
Commitments (Note 7)		
Net Assets		
Unrestricted	259,280	548,678
Temporarily restricted (Note 2)	11,254,849	10,638,488
Total Net Assets	11,514,129	11,187,166
Total Liabilities and Net Assets	\$11,718,796	\$11,436,223

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Changes in Unrestricted Net Assets		
Revenue and Support		
Contributions (Note 9b)	\$ 1,195,767	\$ 1,644,779
Donated services (Note 6)	395,046	153,738
Interest and dividend income	956	43
Miscellaneous income	4,981	7,188
Net assets released from restrictions		
Satisfaction of program and other restrictions	<u>3,735,240</u>	<u>4,013,881</u>
Total Revenue and Support	<u>5,331,990</u>	<u>5,819,629</u>
Expenses		
Program Services		
University	3,266,683	3,784,270
Access Academy	959,995	865,515
Campus Planning and Operations	-	1,318
Total Program Services	<u>4,226,678</u>	<u>4,651,103</u>
Supporting Services		
Management and general	514,092	405,566
Fundraising	880,618	718,033
Total Supporting Services	<u>1,394,710</u>	<u>1,123,599</u>
Total Expenses	<u>5,621,388</u>	<u>5,774,702</u>
Increase (Decrease) in Unrestricted Net Assets	<u>(289,398)</u>	<u>44,927</u>
Changes in Temporarily Restricted Net Assets		
Contributions (Note 9b)	5,279,293	675,387
Unfulfilled pledges	(938,471)	-
Interest and dividend income	10,779	3,760
Net assets released from restrictions	<u>(3,735,240)</u>	<u>(4,013,881)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>616,361</u>	<u>(3,334,734)</u>
Increase (decrease) in net assets	326,963	(3,289,807)
Net assets, beginning of year	<u>11,187,166</u>	<u>14,476,973</u>
Net Assets, End of Year	<u><u>\$11,514,129</u></u>	<u><u>\$11,187,166</u></u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 326,963	\$(3,289,807)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	7,559	7,085
Unfulfilled pledges	938,471	-
(Increase) decrease in:		
Unconditional promises to give	(426,201)	2,585,242
Prepaid expenses and other current assets	22,648	124,606
Security deposit	11,284	-
Increase (decrease) in accounts payable and accrued expenses	<u>(44,390)</u>	<u>(154,011)</u>
Net Cash Provided (Used) By Operating Activities	<u>836,334</u>	<u>(726,885)</u>
 Cash Flows From Investing Activities		
Purchase of investments	(4,631,482)	(3,599,386)
Sale of investments	4,605,910	4,321,911
Purchase of property and equipment	<u>(54,701)</u>	<u>(1,180)</u>
Net Cash Provided (Used) By Investing Activities	<u>(80,273)</u>	<u>721,345</u>
 Net increase (decrease) in cash and cash equivalents	756,061	(5,540)
Cash and cash equivalents, beginning of year	<u>609,601</u>	<u>615,141</u>
 Cash and Cash Equivalents, End of Year	<u><u>\$ 1,365,662</u></u>	<u><u>\$ 609,601</u></u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016 AND 2015****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, when necessary, 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, 2016 AND 2015****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, 2016 AND 2015

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.

i - Advertising

Advertising costs are charged to operations when the advertising first takes place. Advertising expense for the years ending June 30, 2016 and 2015 was \$10,762 and \$13,739, respectively.

j - Subsequent Events

The Organization has evaluated subsequent events through October 18, 2016, 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>2016</u>	<u>2015</u>
Due in less than one year	\$ 3,002,120	\$ 998,271
Due in one to five years	<u>2,974,974</u>	<u>5,717,248</u>
	5,977,094	6,715,519
Less: Discount to present value	<u>(221,813)</u>	<u>(447,968)</u>
	<u>\$5,755,281</u>	<u>\$6,267,551</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, 2016 AND 2015

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>2016</u>	<u>2015</u>
Money Market Funds Held At:		
Common Fund Group	\$1,641,926	\$2,924,559
Vanguard Group	2,824,417	1,516,771
Fidelity Investments	<u>6,761</u>	<u>6,202</u>
	<u>\$4,473,104</u>	<u>\$4,447,532</u>

Market value equaled cost at both June 30, 2016 and 2015.

Note 5 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2016</u>	<u>2015</u>
Computer equipment and software	3-5 years	\$180,300	\$157,420
Furniture	7 years	95,617	63,796
Automobile	5 years	<u>69,767</u>	<u>69,767</u>
		345,684	290,983
Less: Accumulated depreciation		<u>(286,382)</u>	<u>(278,823)</u>
Total		<u>\$ 59,302</u>	<u>\$ 12,160</u>

Depreciation expense for years ended June 30, 2016 and 2015 was \$7,559 and \$7,085, respectively.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

Note 6 - Donated Services

Donated services consist of the following:

	<u>2016</u>	<u>2015</u>
Legal	\$ 272,436	\$ 25,022
Donated Google advertising services	120,947	124,967
Audit	<u>1,663</u>	<u>3,749</u>
Total	<u>\$395,046</u>	<u>\$153,738</u>

Donated legal fees in 2016 related to the Organization expanding its support services group in Hong Kong.

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 leases, including the Bangladesh lease obligations funded by the Organization, provide for minimum annual rentals as follows:

<u>Year Ending June 30,</u>	<u>Domestic</u>	<u>Bangladesh</u>	<u>Total</u>
2017	\$133,000	\$401,000	\$534,000
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, 2016 and 2015 was \$836,394 and \$817,617, respectively.

b - The Organization has a voluntary salary reduction tax deferred 401(k) plan for the benefit of all qualifying employees. The Organization contributes a fixed percentage, as defined in the various agreements, of salaries for all participants. Amounts contributed for the years ended June 30, 2016 and 2015 totaled \$159,083 and \$81,372, respectively.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2016 AND 2015****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 \$391,000 and \$462,000 of expenditures it funded directly during the years ended June 30, 2016 and 2015, 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, 2016, the Organization received 66% of its contributions from one individual, one corporation and two foundations. During the year ended June 30, 2015, the Organization received 34% of its contributions from one individual and one corporation.
- c - As of June 30, 2016, 35% of unconditional promises to give were due from one foundation and one corporation. As of June 30, 2015, 63% 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, 2016 and 2015, and our report thereon dated October 18, 2016, 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, 2016 with comparative totals for 2015 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 18, 2016

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE TOTALS FOR 2015

	Program Services			Supporting Services			2016	2015	
	University	Access Academy	Campus Planning and Operations	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries, payroll taxes and employee benefits	\$ 787,117	\$237,946	\$ -	\$1,025,063	\$ 195,450	\$ 424,718	\$ 620,168	\$1,645,231	\$1,992,541
Consulting fees/local and temporary staff	1,047,346	330,584	-	1,377,930	13,160	59,480	72,640	1,450,570	1,473,696
Advertising and promotion	7,001	2,091	-	9,092	1,010	660	1,670	10,762	13,739
Donated Google advertising services	120,947	-	-	120,947	-	-	-	120,947	124,967
Professional fees	132,793	39,666	-	172,459	166,194	168,376	334,570	507,029	172,029
Student services and supplies	179,053	53,483	-	232,536	2,795	575	3,370	235,906	375,339
Office occupancy	250,740	74,897	-	325,637	79,565	76,345	155,910	481,547	368,360
School and student dormitory occupancy	526,576	157,289	-	683,865	-	-	-	683,865	750,155
Conferences, travel and meetings	154,047	46,014	-	200,061	12,876	124,593	137,469	337,530	359,664
Office supplies and expenses	21,085	6,298	-	27,383	6,481	5,198	11,679	39,062	24,271
Printing	-	-	-	-	-	4,915	4,915	4,915	17,023
Postage	357	107	-	464	11,512	1,507	13,019	13,483	16,148
Dues and subscription	16,071	4,801	-	20,872	3,114	3,895	7,009	27,881	14,379
Insurance	-	-	-	-	4,347	2,390	6,737	6,737	5,795
Telephone	12,964	3,872	-	16,836	15,084	943	16,027	32,863	39,592
Bank charges	4,042	1,208	-	5,250	2,140	4,925	7,065	12,315	14,385
Miscellaneous	724	-	-	724	364	2,098	2,462	3,186	5,534
Total expenses before depreciation	3,260,863	958,256	-	4,219,119	514,092	880,618	1,394,710	5,613,829	5,767,617
Depreciation	5,820	1,739	-	7,559	-	-	-	7,559	7,085
Total Expenses, 2016	<u>\$3,266,683</u>	<u>\$959,995</u>	<u>\$ -</u>	<u>\$4,226,678</u>	<u>\$ 514,092</u>	<u>\$ 880,618</u>	<u>\$1,394,710</u>	<u>\$5,621,388</u>	
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>

See independent auditors' report on supplementary information.