

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

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018



LUTZ AND CARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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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, 2019 and 2018, and the related statements of activities, functional expenses 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, 2019 and 2018, 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
November 13, 2019

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	2019	2018
Assets		
Cash and cash equivalents (Notes 1b and 11a)	\$ 3,663,566	\$ 3,022,458
Unconditional promises to give (Notes 1c, 6 and 11c)		
Without donor restrictions	40,000	22,000
With donor restrictions	6,930,995	9,134,455
Prepaid expenses and other current assets	33,908	44,610
Investments (Notes 1d and 7)	5,431,848	3,678,409
Interest receivable	7,671	-
Property and equipment, at cost (net of accumulated depreciation) (Notes 1e and 8)	10,059	17,654
Total Assets	\$16,118,047	\$15,919,586
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 105,727	\$ 136,216
Commitments (Note 10)		
Net Assets (Note 3)		
Without Donor Restrictions	2,230,617	1,869,374
With Donor Restrictions		
Subject to time and purpose restrictions	10,256,703	11,203,996
Perpetual in nature	3,525,000	2,710,000
Total With Donor Restrictions	13,781,703	13,913,996
Total Net Assets	16,012,320	15,783,370
Total Liabilities and Net Assets	\$16,118,047	\$15,919,586

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue						
Contributions	\$ 1,828,820	\$ 2,615,969	\$ 4,444,789	\$ 1,341,092	\$ 4,822,684	\$ 6,163,776
Donated services (Note 9)	80,504	-	80,504	133,715	-	133,715
Investment Income	67,533	150,025	217,558	4,260	71,702	75,962
Miscellaneous income	7,701	-	7,701	9,353	-	9,353
Foreign exchange write-offs	-	(22,632)	(22,632)	-	(120,654)	(120,654)
Unfulfilled pledge write-offs	-	(72,000)	(72,000)	-	(120,000)	(120,000)
Net assets released from restrictions	2,803,655	(2,803,655)	-	3,956,522	(3,956,522)	-
Total Revenue	4,788,213	(132,293)	4,655,920	5,444,942	697,210	6,142,152
Expenses						
Program Services (Note 1j)						
University	1,795,503	-	1,795,503	2,583,450	-	2,583,450
Access Academy	816,852	-	816,852	947,478	-	947,478
Pre-Access Academy	527,502	-	527,502	504,052	-	504,052
Total Program Services	3,139,857	-	3,139,857	4,034,980	-	4,034,980
Supporting Services						
General and administrative	350,535	-	350,535	369,429	-	369,429
Fundraising	936,578	-	936,578	922,655	-	922,655
Total Supporting Services	1,287,113	-	1,287,113	1,292,084	-	1,292,084
Total Expenses	4,426,970	-	4,426,970	5,327,064	-	5,327,064
Increase (decrease) in net assets	361,243	(132,293)	228,950	117,878	697,210	815,088
Net assets, beginning of year, as restated (Note 5)	1,869,374	13,913,996	15,783,370	1,751,496	13,216,786	14,968,282
Net Assets, End of Year	\$ 2,230,617	\$13,781,703	\$16,012,320	\$ 1,869,374	\$13,913,996	\$15,783,370

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

	Program Services (Note 1j)			Supporting Services			Total Expenses	
	University	Access Academy	Pre-Access Academy	Total	Management and General	Fundraising		Total
Salaries, payroll taxes and employee benefits	\$1,112,232	\$444,893	\$ 296,595	\$1,853,720	\$ 152,391	\$ 609,564	\$ 761,955	\$2,615,675
Local and temporary staff/consulting fees	8,155	2,842	1,764	12,761	1,358	105,859	107,217	119,978
Advertising and promotion	9,099	4,979	3,090	17,168	282	11,775	12,057	29,225
Donated Google advertising services	25,010	13,684	8,494	47,188	-	-	-	47,188
Professional fees	30,440	16,656	10,338	57,434	67,003	33,443	100,446	157,880
Student services and supplies	120,889	66,146	41,056	228,091	-	-	-	228,091
Office occupancy	114,366	62,578	38,841	215,785	66,304	66,304	132,608	348,393
School and student dormitory occupancy	252,881	138,370	85,885	477,136	-	-	-	477,136
Conferences, travel and meetings	89,756	49,112	30,483	169,351	18,185	86,394	104,579	273,930
Office supplies and expenses	11,303	6,184	3,839	21,326	12,433	36	12,469	33,795
Printing	423	231	144	798	1,612	10,644	12,256	13,054
Postage	-	-	-	-	4,064	796	4,860	4,860
Dues and subscription	4,144	2,267	1,407	7,818	4,473	137	4,610	12,428
Insurance	-	-	-	-	3,767	-	3,767	3,767
Telephone	7,879	4,311	2,676	14,866	11,790	261	12,051	26,917
Merchant charges	5,845	3,198	1,985	11,028	429	9,758	10,187	21,215
Miscellaneous	-	-	-	-	5,843	-	5,843	5,843
Total expenses before depreciation	1,792,422	815,451	526,597	3,134,470	349,934	934,971	1,284,905	4,419,375
Depreciation	3,081	1,401	905	5,387	601	1,607	2,208	7,595
Total Expenses	<u>\$1,795,503</u>	<u>\$816,852</u>	<u>\$ 527,502</u>	<u>\$3,139,857</u>	<u>\$ 350,535</u>	<u>\$ 936,578</u>	<u>\$1,287,113</u>	<u>\$4,426,970</u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

	Program Services (Note 1j)			Supporting Services			Total Expenses	
	University	Access Academy	Pre-Access Academy	Total	Management and General	Fundraising		Total
Salaries, payroll taxes and employee benefits	\$1,399,385	\$405,619	\$ 223,090	\$2,028,094	\$ 147,353	\$ 589,608	\$ 736,961	\$2,765,055
Local and temporary staff/consulting fees	36,091	16,516	8,564	61,171	496	104,857	105,353	166,524
Advertising and promotion	5,796	2,652	1,375	9,823	-	13,050	13,050	22,873
Donated Google advertising services	56,823	26,003	13,483	96,309	-	-	-	96,309
Professional fees	47,581	21,774	11,290	80,645	91,301	10,406	101,707	182,352
Student services and supplies	241,856	110,680	57,390	409,926	-	-	-	409,926
Office occupancy	175,700	80,405	41,691	297,796	66,771	66,771	133,542	431,338
School and student dormitory occupancy	402,074	184,000	95,407	681,481	-	-	-	681,481
Conferences, travel and meetings	160,110	73,272	37,993	271,375	20,251	116,188	136,439	407,814
Office supplies and expenses	23,027	10,538	5,464	39,029	14,300	126	14,426	53,455
Printing	7,490	3,428	1,777	12,695	-	3,698	3,698	16,393
Postage	65	29	15	109	2,204	3,265	5,469	5,578
Dues and subscription	3,629	1,661	861	6,151	3,739	164	3,903	10,054
Insurance	-	-	-	-	6,467	-	6,467	6,467
Telephone	11,343	5,190	2,691	19,224	12,550	659	13,209	32,433
Merchant charges	6,964	3,187	1,652	11,803	1,023	13,302	14,325	26,128
Miscellaneous	-	-	-	-	2,974	561	3,535	3,535
Total expenses before depreciation	2,577,934	944,954	502,743	4,025,631	369,429	922,655	1,292,084	5,317,715
Depreciation	5,516	2,524	1,309	9,349	-	-	-	9,349
Total Expenses	<u>\$2,583,450</u>	<u>\$947,478</u>	<u>\$ 504,052</u>	<u>\$4,034,980</u>	<u>\$ 369,429</u>	<u>\$ 922,655</u>	<u>\$1,292,084</u>	<u>\$5,327,064</u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash Flows From Operating Activities		
Increase in net assets	\$ 228,950	\$ 815,088
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	7,595	9,349
Unrealized gain on investments	(22,459)	-
Unfulfilled pledges and foreign exchange variances	94,632	240,654
(Increase) decrease in:		
Unconditional promises to give	2,090,828	(262,189)
Interest receivable	(7,671)	-
Prepaid expenses and other current assets	10,702	(6,115)
Decrease in accounts payable and accrued expenses	(30,489)	(38,847)
Net Cash Provided By Operating Activities	2,372,088	757,940
Cash Flows From Investing Activities		
Purchase of investments	(6,184,175)	(3,398,054)
Sale of investments	4,453,195	4,047,873
Purchase of property and equipment	-	(6,108)
Net Cash Provided (Used) By Investing Activities	(1,730,980)	643,711
Net increase in cash and cash equivalents	641,108	1,401,651
Cash and cash equivalents, beginning of year	3,022,458	1,620,807
Cash and Cash Equivalents, End of Year	\$3,663,566	\$3,022,458

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019 AND 2018****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, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

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 and Fair Value Measurements

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 net assets without donor restrictions unless their use is restricted by donor stipulation or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which gains and other investment income are recognized. All other donor restricted gains and other investment income are reported as increases in net assets with donor restrictions. When a net asset expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019 AND 2018****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****d - Investments and Fair Value Measurements (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 financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classification:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019 AND 2018****Note 1 - Organization and Summary of Significant Accounting Policies (continued)**f - Financial Statement Presentation (continued)Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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.

i - Advertising

Advertising costs are charged to operations when the advertising first takes place. Advertising expense for the years ending June 30, 2019 and 2018 was \$18,565 and \$10,723, respectively.

j - Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial amount of the Organization's expenses are directly related to program activities which are made up of university, access and pre-access academy programs. Program service expenses do not include such expenditures funded directly by the University from tuition income and local fundraising of approximately \$1,204,000 and \$825,000 during the years ended June 30, 2019 and 2018, respectively. In addition, the University received additional funding of approximately \$580,000 and \$265,000 during the years ended June 30, 2019 and 2018, respectively. The expenses that are allocated include salaries, payroll taxes and benefits, insurance, occupancy, professional fees and other administrative costs which are allocated based upon estimates of time and effort.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2019 AND 2018****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****k - New Accounting Pronouncements**

In 2019, the Organization adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the previous reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”; (b) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (c) requiring that all nonprofits present an analysis of expenses by function and nature and disclose the methods used to allocate costs; (d) modifying the presentation of endowment funds in a deficit position and related disclosures; and (e) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. As permitted under the ASU in the year of adoption, the Organization opted not to disclose liquidity and availability information for 2018.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)”. The core principles of ASU 2016-02 changes the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position for all leases with terms longer than twelve months and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2020. The Organization is currently evaluating the impact of ASU 2016-02 on its financial statements.

l - Subsequent Events

The Organization has evaluated subsequent events through November 13, 2019, the date that the financial statements are considered available to be issued.

Note 2 - Information Regarding Liquidity and Availability

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial amount of annual revenue is comprised of contributions investment revenue. The Organization considers general expenditures to consist of all expenses related to ongoing program activities, and the expenses related to management and general activities undertaken to support those services.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 2 - Information Regarding Liquidity and Availability (continued)

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover ninety days of general expenditures.

The Organization's financial assets of as of June 30, 2019 and those available within one year to meet cash needs for general expenditures are summarized as follows:

Financial Assets at Year End:	
Cash and cash equivalents	\$ 3,663,566
Unconditional promises to give	6,970,995
Investments	5,431,848
Interest receivable	<u>7,671</u>
Total Financial Assets	16,074,080
Less: Amounts not Available to be Used within One Year:	
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(10,038,399)
Plus: Net assets with restrictions to be met in less than a year	2,925,337
Net assets with donor restrictions for endowment, subject to spending policy and appropriation	<u>(3,743,304)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 5,217,714</u>

Note 3 - Net Assets

Net Assets with donor restrictions are restricted for the following purposes as of June 30:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for future programs and periods after June 30, 2019	\$10,038,399	\$11,146,400
Endowments subject to spending policy and appropriation:		
Investment income above original gift amount	218,304	57,596
Investment in perpetuity	<u>3,525,000</u>	<u>2,710,000</u>
Total Endowments	<u>3,743,304</u>	<u>2,767,596</u>
Total Net Assets With Donor Restrictions	<u>\$13,781,703</u>	<u>\$13,913,996</u>

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 4 - Endowment Funds

Consistent with Massachusetts Not-For-Profit Corporation Law and the Massachusetts Uniform Prudent Management of Institutional Funds Act ("MA UPMIFA"), the Organization classifies as net assets with donor restrictions, perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as subject to spending policy and appropriation until those amounts are appropriated for expenditure by the Organization.

As of June 30, 2019 and 2018, the Organization's invested endowment funds composition, by type of fund and net asset classification, are summarized as follows:

	With Donor Restrictions		
	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Donor-restricted endowment funds, 2019	<u>\$218,304</u>	<u>\$3,525,000</u>	<u>\$3,743,304</u>
Donor-restricted endowment funds, 2018	<u>\$ 57,596</u>	<u>\$2,710,000</u>	<u>\$2,767,596</u>

Changes in the Organization's endowment funds for the years ended June 30, 2019 and 2018 are summarized as follows:

	2019		
	With Donor Restrictions		
	Investment Income Above Original Gift Amount	Investment in Perpetuity	Total
Endowment funds, beginning of year	\$ 57,596	\$2,710,000	\$2,767,596
Contributions	-	65,000	65,000
Redesignation of prior gifts	10,683	750,000	760,683
Net investment income	<u>150,025</u>	<u>-</u>	<u>150,025</u>
Endowment Funds, End of Year	<u>\$218,304</u>	<u>\$3,525,000</u>	<u>\$3,743,304</u>

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 4 - Endowment Funds (continued)

	<u>2018</u>		
	<u>With Donor Restrictions</u>		
	<u>Investment Income Above Original Gift Amount</u>	<u>Investment in Perpetuity</u>	<u>Total</u>
Endowment funds, beginning of year	\$30,669	\$1,705,000	\$1,735,669
Contributions	-	1,005,000	1,005,000
Net investment income	<u>26,927</u>	<u>-</u>	<u>26,927</u>
Endowment Funds, End of Year	<u>\$57,596</u>	<u>\$2,710,000</u>	<u>\$2,767,596</u>

The Organization has investment and spending policies for endowment assets that endeavor to provide a stream of funding the Organization's operations while seeking to enhance the purchasing power of the endowment's assets.

The Organization has a policy to make available during each fiscal year an amount equal to 5% of the rolling average of the market value for the preceding twelve quarters, and to provide for any net investment return in excess of amounts appropriated to be retained as part of the endowment fund as net assets with donor restrictions available for expenditure in future years.

Note 5 - Prior Period Adjustment

Net assets without donor restrictions as of June 30, 2017 have been restated to reallocate net assets as follows:

Net assets without donor restrictions were understated by \$1,597,167

Net assets with donor restrictions:

- Subject to expenditure for specific purposes were overstated by \$3,302,167
- Investments in perpetuity were understated by \$1,705,000

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>Time and Purpose</u>	<u>Perpetual in Nature</u>	
June 30, 2017, as previously stated	\$ 154,329	\$14,813,953	\$ -	\$14,968,282
Prior period adjustment	<u>1,597,167</u>	<u>(3,302,167)</u>	<u>1,705,000</u>	<u>-</u>
June 30, 2017, as Restated	<u>\$1,751,496</u>	<u>\$11,511,786</u>	<u>\$1,705,000</u>	<u>\$14,968,282</u>

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Note 6 - Unconditional Promises to Give

Unconditional promises to give are due as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>	<u>2018 Total</u>
Due within one year	\$40,000	\$2,925,337	\$2,965,337	\$2,899,025
Due in one to five years	-	4,311,422	4,311,422	6,820,261
	<u>40,000</u>	<u>7,236,759</u>	<u>7,276,759</u>	<u>9,719,286</u>
Less: Discount	-	(305,764)	(305,764)	(562,831)
	<u>\$40,000</u>	<u>\$6,930,995</u>	<u>\$6,970,995</u>	
Total, 2019				
	<u>\$22,000</u>	<u>\$9,134,455</u>		<u>\$9,156,455</u>
Total, 2018				

Uncollectible promises are expected to be insignificant. Unconditional promises to give are discounted to present value using a discount rate of 3%.

Note 7 - Investments

Investments, all of which are Level 1 within the fair value hierarchy used to measure their respective fair values, consist of the following funds:

	<u>2019</u>	<u>2018</u>
Money Market Funds Held at:		
Common Fund Group	\$1,506,265	\$1,305,421
Vanguard Group	3,175,815	2,119,948
Stock and Bond Funds held at Vanguard Group	737,095	246,017
Fidelity Investments	<u>12,673</u>	<u>7,023</u>
Total	<u>\$5,431,848</u>	<u>\$3,678,409</u>

Market value approximates cost at June 30, 2019 and 2018.

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JUNE 30, 2019 AND 2018

Note 8 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2019</u>	<u>2018</u>
Computer equipment and software	3-5 years	\$20,923	\$20,923
Furniture	7 years	<u>30,418</u>	<u>30,418</u>
		51,341	51,341
Less: Accumulated depreciation		<u>(41,282)</u>	<u>(33,687)</u>
Total		<u>\$10,059</u>	<u>\$17,654</u>

Note 9 - Donated Services

Donated services consist of the following:

	<u>2019</u>	<u>2018</u>
Google advertising services	\$47,188	\$ 96,309
Marketing	10,660	12,150
Accounting	2,000	1,000
Legal	<u>20,656</u>	<u>24,256</u>
Total	<u>\$80,504</u>	<u>\$133,715</u>

Note 10 - 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>
2020	\$133,000	\$594,000	\$727,000
2021	-	430,000	430,000
2022	-	344,000	344,000
2023	-	243,000	243,000

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JUNE 30, 2019 AND 2018

Note 10 - Commitments (continued)

a - (continued)

Rent expense for the years ended June 30, 2019 and 2018 was \$898,477 and \$716,964 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, 2019 and 2018 totaled \$107,491 and \$110,826, respectively.

Note 11 - Concentrations

a - The Organization maintains its cash and certain of its investment balances in financial institutions located in Massachusetts and Bangladesh. The balances in Massachusetts, at times, may exceed federally insured limits.

b - During the year ended June 30, 2019, the Organization received 11% of its contributions from one foundation. During the year ended June 30, 2018, the Organization received 73% of its contributions from two foundations, one government and one corporation.

c - As of June 30, 2019, 78% of unconditional promises to give were due from three foundations, two corporations and one individual. As of June 30, 2018, 79% of unconditional promises to give were due from three foundations, two corporations and one individual.

d - Total contributions for the years ended June 30, 2019 and 2018 are comprised of:

	2019	2018
Contributions without donor restrictions	\$1,828,820	\$1,341,092
Donated services	80,504	133,715
Contributions with donor restrictions	2,615,969	4,822,684
Foreign exchange variances	(22,632)	(120,654)
Unfulfilled pledges	(72,000)	(120,000)
Total	\$4,430,661	\$6,056,837