

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

**FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION**

JUNE 30, 2010 AND 2009

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Asian University for Women (AUW) Support Foundation

We have audited the accompanying statements of financial position of Asian University for Women (AUW) Support Foundation (a not-for-profit corporation) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the year ended June 30, 2010 and the eighteen months ended June 30, 2009. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asian University for Women (AUW) Support Foundation as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the year ended June 30, 2010 and the eighteen months ended June 30, 2009 in conformity with accounting principles generally accepted in the United States of America.

Lutz + Carr, LLP

New York, New York
April 27, 2011

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash and cash equivalents (Notes 1b and 9a)	\$ 369,819	\$ 686,542
Unconditional promises to give (Notes 1c and 9c)		
Unrestricted	244,221	503,000
Temporarily restricted	708,272	1,919,280
Prepaid expenses and other current assets	396,773	313,309
Security deposit	50,485	50,485
Property and equipment, at cost (net of accumulated depreciation) (Notes 1d and 4)	110,861	157,087
Investments and cash held for investment (Notes 1e and 5)	<u>15,777,860</u>	<u>15,473,761</u>
Total Assets	<u><u>\$ 17,658,291</u></u>	<u><u>\$ 19,103,464</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 798,796	\$ 457,033
Security deposit payable	<u>14,800</u>	<u>11,968</u>
Total Liabilities	<u>813,596</u>	<u>469,001</u>
Commitments (Note 7)		
Net Assets		
Unrestricted	7,638,532	6,141,917
Temporarily restricted (Note 2)	<u>9,206,163</u>	<u>12,492,546</u>
Total Net Assets	<u>16,844,695</u>	<u>18,634,463</u>
Total Liabilities and Net Assets	<u><u>\$ 17,658,291</u></u>	<u><u>\$ 19,103,464</u></u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF ACTIVITIES

	<u>Year Ended June 30, 2010</u>	<u>Eighteen Months Ended June 30, 2009</u>
Changes in Unrestricted Net Assets		
Revenue and Support		
Contributions (Note 9b)	\$ 4,271,382	\$ 5,418,741
Donated services (Note 6)	290,011	287,731
Subtenant rental income	93,446	125,044
Interest and dividend income	2,688	274,504
Miscellaneous income	37,308	66,405
Net assets released from restrictions		
Satisfaction of program and other restrictions	<u>4,373,200</u>	<u>6,191,773</u>
Total Revenue and Support	<u>9,068,035</u>	<u>12,364,198</u>
Expenses		
Program Services	<u>5,589,921</u>	<u>6,077,602</u>
Supporting Services		
Management and general	990,216	1,346,312
Fundraising	991,283	1,223,137
Total Supporting Services	<u>1,981,499</u>	<u>2,569,449</u>
Total Expenses	<u>7,571,420</u>	<u>8,647,051</u>
Increase in Unrestricted Net Assets	<u>1,496,615</u>	<u>3,717,147</u>
Change in Temporarily Restricted Net Assets		
Contributions (Note 9)	1,118,656	9,774,984
Bad debt expense	(40,000)	-
Interest and dividend income	8,161	36,589
Net assets released from restrictions	<u>(4,373,200)</u>	<u>(6,191,773)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(3,286,383)</u>	<u>3,619,800</u>
Increase (decrease) in net assets	(1,789,768)	7,336,947
Net assets, beginning of year	<u>18,634,463</u>	<u>11,297,516</u>
Net Assets, End of Year	<u><u>\$ 16,844,695</u></u>	<u><u>\$ 18,634,463</u></u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF CASH FLOWS

	<u>Year Ended June 30, 2010</u>	<u>Eighteen Months Ended June 30, 2009</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (1,789,768)	\$ 7,336,947
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	51,216	70,735
Bad debt	40,000	-
(Increase) decrease in:		
Unconditional promises to give	1,429,787	2,219,581
Prepaid expenses and other current assets	(83,464)	(162,657)
Increase in:		
Accounts payable and accrued expenses	341,763	217,753
Security deposit payable	2,832	-
Net Cash Provided (Used) By Operating Activities	<u>(7,634)</u>	<u>9,682,359</u>
Cash Flows From Investing Activities		
Purchase of investments	(5,224,568)	(19,081,777)
Sale of investments	4,920,469	9,634,535
Acquisition of computer and equipment	<u>(4,990)</u>	<u>(42,727)</u>
Net Cash Used By Investing Activities	<u>(309,089)</u>	<u>(9,489,969)</u>
Net increase (decrease) in cash and cash equivalents	(316,723)	192,390
Cash and cash equivalents, beginning of year	<u>686,542</u>	<u>494,152</u>
Cash and Cash Equivalents, End of Year	<u>\$ 369,819</u>	<u>\$ 686,542</u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2010 AND 2009****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

Asian University for Women Support Foundation (the "Organization") supports the funding, creation and management of the Asian University for Women, a separate legal entity in Bangladesh. Principal operations include Academic Planning for curriculum and University activities; Access Academy as a pre-collegiate program to strengthen the students' English and quantitative skills and Campus Planning and Operations for the campus construction and local operations.

b - Cash and Cash Equivalents

The Organization considers all short-term highly liquid investments, such as money market funds and highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for cash and short-term investments managed by the Organization as part of their long-term investment strategies.

c - Contributions and Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Amounts received that are designated for future periods and all other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

d - Property and Equipment

Property and equipment acquired are recorded at cost and are being depreciated using the straight-line method over the useful life of the assets. Property and equipment purchased for the benefit of Asia University for Women have been expensed.

e - Investments

The Organization reflects investments at fair value in the statement of financial position. Interest, dividends, and gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Gains and other investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in unrestricted net assets if the restrictions are met in the same fiscal year in which the gains and other investment income are recognized.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2010 AND 2009****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****e - Investments (continued)**

Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). The Organization is required to use a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three levels.

Unadjusted quoted prices in active markets for identical assets and liabilities are referred to as Level 1 inputs. Inputs other than quoted market prices that are observable, either directly or indirectly and reasonably available are referred to as Level 2 inputs. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the assumptions developed based on available information about what market participants would use in valuing the asset or liability and are referred to as Level 3 inputs.

An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors.

Investments in money market funds are classified within Level 1 of the fair value hierarchy. Fair value is determined using quoted market values.

f - Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of assets: unrestricted, temporarily restricted and permanently restricted net assets.

g - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

h - Tax Status

The Organization is a not-for-profit Organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an Organization which is not a private foundation. Management has evaluated all income tax positions, including the position that the Organization is exempt from income taxes or not subject to income taxes or unrelated business income, and concluded that no disclosures relating to uncertain tax positions are required in the financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

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

i - Subsequent Events

The Organization has evaluated subsequent events through April 27, 2011, the date that the financial statements are considered available to be issued.

Note 2 - Restriction of Assets

Temporarily restricted net assets are restricted for future programs and periods.

Note 3 - Unconditional Promises to Give

Unconditional promises to give at June 30, 2010 and 2009 are due within one year. Uncollectible promises are expected to be insignificant.

Note 4 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2010</u>	<u>2009</u>
Computer equipment and software	3-5 years	\$136,683	\$134,087
Furniture	7 years	63,239	60,845
Automobile	5 years	<u>69,767</u>	<u>69,767</u>
		269,689	264,699
Less: Accumulated depreciation		<u>(158,828)</u>	<u>(107,612)</u>
Total		<u>\$110,861</u>	<u>\$157,087</u>

Depreciation expense for year ended June 30, 2010 and the eighteen months ended June 30, 2009 was \$51,216 and \$70,735, respectively.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

Note 5 - Investments

Investments, all of which are Level 1 within the fair value hierarchy used to measure their respective fair values, consist of the following at June 30, 2010 and 2009.

	2010		2009	
	Market Value	Cost	Market Value	Cost
Money market fund held at Common Fund Group	\$ 5,792,413	\$ 5,792,413	\$ 3,833,074	\$ 3,833,074
Money market fund held at Vanguard Group	8,629,378	8,629,378	9,637,495	9,637,495
Money market fund held at Fidelity Investments	1,356,069	1,356,069	200,777	200,777
Treasury Bills held at Fidelity Investments	-	-	1,802,415	1,802,415
	\$15,777,860	\$15,777,860	\$15,473,761	\$15,473,761

Note 6 - Donated Services

Donated services consist of the following:

	Year Ended June 30, 2010	Eighteen Months Ended June 30, 2009
Legal	\$128,041	\$147,133
Advertising	140,541	123,348
Other	21,429	17,250
Total	\$290,011	\$287,731

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:

Year Ending June 30,	Domestic	Bangladesh	Total
2011	\$302,910	\$553,598	\$856,508
2012	201,940	468,714	670,654
2013	-	397,800	397,800
2014	-	290,319	290,319
2015	-	192,723	192,723
Through June 30, 2016	-	92,736	92,736

Rent expense for the year ended June 30, 2010 and the eighteen months ended June 30, 2009 and was \$681,635 and \$787,781, respectively.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2010 AND 2009****Note 7 - Commitments (continued)**

- b - The Organization has a voluntary salary reduction tax deferred 401(k) plan for the benefit of all qualifying employees. The Organization's contributes 8% of the salary for all participants. Amounts contributed for the year ended June 30, 2010 and the eighteen months ended June 30, 2009 are \$100,980 and \$131,091, respectively.

Note 8 - Functional Allocation of Expenses

The cost of providing the various programs and the supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and the supporting services in reasonable ratios determined by management.

Note 9 - Concentrations

- a - The Organization maintains its cash and certain of its investment balances in financial institutions located in Massachusetts and Bangladesh. The balances at times may exceed federally insured limits.
- b - The Organization received 43% of its contributions from one individual during the year ended June 30, 2010 and 60% of its contributions from two individuals during the eighteen months ended June 30, 2009.
- c - As of June 30, 2010 77% of unconditional promises to give were due from two individuals and three foundations. As of June 30, 2009 89% of unconditional promises to give were due from one individual and two foundations.

ADDITIONAL INFORMATION



**INDEPENDENT AUDITORS' REPORT ON
ADDITIONAL INFORMATION**

To the Board of Directors of
Asian University for Women (AUW) Support Foundation

Our report on our audits of the basic financial statements of Asian University for Women (AUW) Support Foundation for the year ended June 30, 2010 and eighteen months ended June 30, 2009 appears on page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses for the year ended June 30, 2010 with comparative totals for the eighteen months ended June 30, 2009 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Lutz + Carr, LLP

New York, New York
April 27, 2011

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE TOTALS FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2009

	Program Services				Supporting Services			Year Ended June 30, 2010	Eighteen Months Ended June 30, 2009
	University	Access Academy	Campus Planning and Operations	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries, payroll taxes and employee benefits	\$1,586,526	\$ 74,368	\$ 74,368	\$1,735,262	\$ 421,421	\$ 322,263	\$ 743,684	\$ 2,478,946	\$ 2,401,558
Professional fees	479,027	411,628	567,330	1,457,985	58,844	378,441	437,285	1,895,270	2,887,009
Student services and supplies	172,008	175,333	2,195	349,536	5,911	-	5,911	355,447	362,568
Office occupancy	90,453	58,763	44,799	194,015	149,298	122,737	272,035	466,050	603,056
School and student dormitory occupancy	216,512	193,652	16,429	426,593	-	-	-	426,593	370,970
Travel and meetings	251,246	231,548	38,931	521,725	176,292	78,637	254,929	776,654	815,140
Office supplies and expenses	400,075	354,517	621	755,213	49,120	2,964	52,084	807,297	696,288
Printing	1,465	13,639	195	15,299	1,080	27,520	28,600	43,899	127,119
Postage	7,439	5,020	27	12,486	26,650	11,333	37,983	50,469	84,391
Dues and subscription	6,558	3,578	-	10,136	7,553	5,340	12,893	23,029	24,219
Insurance	-	2,333	-	2,333	6,189	-	6,189	8,522	8,384
Telephone	14,355	22,717	94	37,166	39,810	1,486	41,296	78,462	102,823
Bank charges	4,896	1,856	-	6,752	18,565	5,714	24,279	31,031	24,826
Miscellaneous	18,286	28,983	6,883	54,152	9,509	14,874	24,383	78,535	67,965
Total expenses before depreciation	3,248,846	1,577,935	751,872	5,578,653	970,242	971,309	1,941,551	7,520,204	8,576,316
Depreciation	5,122	-	6,146	11,268	19,974	19,974	39,948	51,216	70,735
Total Expenses, 2010	<u>\$3,253,968</u>	<u>\$1,577,935</u>	<u>\$ 758,018</u>	<u>\$5,589,921</u>	<u>\$ 990,216</u>	<u>\$ 991,283</u>	<u>\$1,981,499</u>	<u>\$ 7,571,420</u>	
Total Expenses, 2009	<u>\$1,473,870</u>	<u>\$2,595,628</u>	<u>\$ 2,008,104</u>	<u>\$6,077,602</u>	<u>\$ 1,346,312</u>	<u>\$ 1,223,137</u>	<u>\$2,569,449</u>		<u>\$ 8,647,051</u>

See independent auditors' report on additional information.