

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

**FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION**

DECEMBER 31, 2007 AND 2006

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

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INDEPENDENT AUDITOR'S 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 December 31, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. 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 December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Lutz + Carr, LLP

New York, New York
August 4, 2008

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2007 AND 2006

	2007	2006
Assets		
Cash and cash equivalents (Notes 1g and 9a)	\$ 494,152	\$ 161,369
Unconditional promises to give (Notes 1b and 5)		
Unrestricted	36,105	2,100
Temporarily restricted	4,605,756	3,037,309
Prepaid expenses and other current assets	150,652	35,793
Security deposit	50,485	5,383
Property and equipment, at cost (net of accumulated depreciation) (Notes 1c and 3)	185,095	66,417
Investments and cash held for investment (Notes 1d and 4)	6,026,519	5,001,216
 Total Assets	\$11,548,764	\$8,309,587
 Liabilities and Net Assets		
Liabilities		
Checks not yet presented for payment	\$ -	\$ 214,257
Accounts payable and accrued expenses	239,280	408,466
Security deposit payable	11,968	-
Total Liabilities	251,248	622,723
 Commitments (Note 7)		
 Net Assets		
Unrestricted	2,424,770	853,354
Temporarily restricted (Note 2)	8,872,746	6,833,510
Total Net Assets	11,297,516	7,686,864
 Total Liabilities and Net Assets	\$11,548,764	\$8,309,587

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Changes in Unrestricted Net Assets		
Revenue and Support		
Contributions	\$ 3,044,011	\$ 278,480
Donated services (Note 6)	96,734	427,300
Subtenant rental income	40,459	-
Interest and dividend income	240,123	241,765
Net assets released from restrictions		
Satisfaction of program and other restrictions	1,529,847	2,310,713
Total Unrestricted Revenue and Support	4,951,174	3,258,258
Expenses		
Program Services	1,668,622	1,641,882
Supporting Services		
Management and general	723,186	522,748
Fundraising	987,950	573,383
Total Expenses	3,379,758	2,738,013
Increase in Unrestricted Net Assets	1,571,416	520,245
Change in Temporarily Restricted Net Assets		
Contributions (Notes 5 and 9b)	3,698,423	2,928,101
Reversal of prior year restricted contributions	(146,592)	-
Interest and dividend income	17,252	-
Net assets released from restrictions	(1,529,847)	(2,310,713)
Increase in Temporarily Restricted Net Assets	2,039,236	617,388
Increase in net assets	3,610,652	1,137,633
Net assets, beginning of year	7,686,864	6,549,231
Net Assets, End of Year	\$11,297,516	\$7,686,864

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Cash Flows From Operating Activities		
Increase in net assets	\$ 3,610,652	\$1,137,633
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	23,340	8,318
Increase in:		
Unconditional promises to give	(1,602,452)	(1,726,381)
Prepaid expenses	(114,859)	(35,126)
Security deposit	(45,102)	(5,383)
Increase (decrease) in:		
Checks not yet presented for payment	(214,257)	214,257
Accounts payable and accrued expenses	(169,186)	383,830
Security deposit payable	11,968	-
Net Cash Provided (Used) By Operating Activities	1,500,104	(22,852)
Cash Flows From Investing Activities		
Purchase of investments	(4,535,212)	(5,001,216)
Sale of investments	3,509,909	-
Acquisition of computer and equipment	(142,018)	(71,235)
Net Cash Used By Investing Activities	(1,167,321)	(5,072,451)
Net increase (decrease) in cash and cash equivalents	332,783	(5,095,303)
Cash and cash equivalents, beginning of year	161,369	5,256,672
Cash and Cash Equivalents, End of Year	\$ 494,152	\$ 161,369

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2007 AND 2006****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

The Organization's purpose is to support the funding, creation and management of the Asian University for Women.

b - 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.

c - 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

d - Investments

The Organization reflects investments at fair value in the statement of financial position. Unrealized gains and losses on investments are reported 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.

e - 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.

f - 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.

g - 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.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

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.

Note 2 - Restriction of Assets

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

Note 3 - Property and Equipment

Property and equipment consist of the following:

	<u>Life</u>	<u>2007</u>	<u>2006</u>
Computer equipment and software	3-5 years	\$107,453	\$60,271
Furniture	7 years	44,752	19,683
Automobile	5 years	<u>69,767</u>	<u>-</u>
		221,972	79,954
Less: Accumulated depreciation		<u>(36,877)</u>	<u>(13,537)</u>
Total		<u>\$185,095</u>	<u>\$66,417</u>

Depreciation expense for the years ended December 31, 2007 and 2006 was \$23,340 and \$8,318, respectively.

Note 4 - Investments

Investments and cash held for investment consist of the following at December 31:

	<u>2007</u>		<u>2006</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Certificates of deposit held at Citizens Bank	\$2,859,330	\$2,859,330	\$1,952,263	\$1,952,263
Money market fund held at Common Fund Group	1,466,504	1,466,504	3,048,953	3,048,953
Money market fund held at Vanguard Group	<u>1,700,685</u>	<u>1,700,685</u>	<u>-</u>	<u>-</u>
	<u>\$6,026,519</u>	<u>\$6,026,519</u>	<u>\$5,001,216</u>	<u>\$5,001,216</u>

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

Note 5 - Substantial Grant

The Strategic Opportunities Program of the Bill & Melinda Gates Foundation ("Gates") awarded \$15,000,000 for the establishment of a University in Bangladesh. \$2,000,000 was paid upon receipt of the signed grant agreement. \$3,000,000 was conditional upon receiving matching contributions of \$1,500,000. \$10,000,000 was conditional upon receiving matching contributions of \$20,000,000. This grant covered the period through October 2007.

During the years ended December 31, 2007 and 2006, \$2,397,680 and \$925,000 were earned, respectively. As the grant term has expired, this completes the funding for this grant.

Note 6 - Donated Services

Donated services consist of legal services.

Note 7- Commitments

a - The Organization occupies domestic and overseas offices. The leases provide for minimum annual rentals as follows:

<u>Year Ending December 31,</u>	
2008	\$442,423
2009	442,818
2010	442,818
2011	439,250
2012	181,909

Rent expense for the years ended December 30, 2007 and 2006 was \$310,017 and \$51,663, respectively.

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 years ended December 31, 2007 and 2006 are \$73,869 and \$46,734, respectively.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2007 AND 2006****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 a financial institution located in Massachusetts. The balances in the financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. These balances represent 50% and 41% of cash and investments at December 31, 2007 and 2006, respectively.
- b - The Organization received 65% of its contributions from one foundation and one individual and 73% of its contributions from two foundations for the years ended December 31, 2007 and 2006, respectively.
- c - As of December 31, 2007 and 2006, 72% and 30%, respectively, of unconditional promises to give are from one foundation.

ADDITIONAL INFORMATION



**INDEPENDENT AUDITOR'S 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 2007 and 2006 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 December 31, 2007 with comparative totals for 2006 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
August 4, 2008

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2007 WITH COMPARATIVE TOTALS FOR 2006

	Program Services				Supporting Services			2007	2006
	Academic Planning	Access Academy	Construction and Operations	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries, payroll taxes and employee benefits	\$210,900	\$81,468	\$ 71,266	\$ 363,634	\$ 280,669	\$ 583,037	\$ 863,706	\$1,227,340	\$ 798,222
Professional fees	33,624	176,221	783,167	993,012	167,306	158,051	325,357	1,318,369	1,564,839
Construction materials	-	-	-	-	-	-	-	-	39,166
Occupancy	33,114	-	40,656	73,770	128,893	130,438	259,331	333,101	55,888
Travel and meetings	56,488	31,619	85,678	173,785	67,421	53,083	120,504	294,289	148,271
Office supplies and expenses	2,457	2,250	11,756	16,463	18,387	10,405	28,792	45,255	65,339
Printing	-	1,396	3,610	5,006	4,871	18,116	22,987	27,993	6,313
Postage	1,832	-	2,198	4,030	7,143	7,143	14,286	18,316	6,230
Dues and subscription	-	-	-	-	637	8,276	8,913	8,913	6,119
Insurance	-	-	1,633	1,633	3,060	-	3,060	4,693	770
Telephone	1,399	-	1,679	3,078	5,455	5,456	10,911	13,989	8,401
Bank charges	-	-	-	-	8,768	-	8,768	8,768	1,194
Miscellaneous	1,006	14,959	11,244	27,209	24,974	3,209	28,183	55,392	28,943
Total expenses before depreciation	340,820	307,913	1,012,887	1,661,620	717,584	977,214	1,694,798	3,356,418	2,729,695
Depreciation	3,968	1,634	1,400	7,002	5,602	10,736	16,338	23,340	8,318
Total Expenses, 2007	<u>\$344,788</u>	<u>\$309,547</u>	<u>\$ 1,014,287</u>	<u>\$1,668,622</u>	<u>\$ 723,186</u>	<u>\$ 987,950</u>	<u>\$1,711,136</u>	<u>\$3,379,758</u>	
Total Expenses, 2006	<u>\$397,349</u>	<u>\$808,345</u>	<u>\$ 436,188</u>	<u>\$1,641,882</u>	<u>\$ 522,748</u>	<u>\$ 573,383</u>	<u>\$1,096,131</u>		<u>\$2,738,013</u>

See independent auditor's report on additional information.