

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

**FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION**

DECEMBER 31, 2005 AND 2004

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, 2005 and 2004, 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, 2005 and 2004, 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
February 28, 2006

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Assets		
Cash and cash equivalents (Notes 1f and 6)	\$5,256,672	\$ 537,835
Unconditional promises to give (Notes 1b and 4)		
Temporarily restricted	1,313,028	-
Prepaid expenses	667	765
Security deposit	-	780
Computer equipment, at cost (net of accumulated depreciation) (Notes 1c and 3)	<u>3,500</u>	<u>2,480</u>
Total Assets	<u><u>\$6,573,867</u></u>	<u><u>\$ 541,860</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable & accrued expenses	<u>\$ 24,636</u>	<u>\$ 2,885</u>
Net Assets		
Unrestricted	333,109	374,371
Temporarily restricted (Note 2)	<u>6,216,122</u>	<u>164,604</u>
Total Net Assets	<u><u>6,549,231</u></u>	<u><u>538,975</u></u>
Total Liabilities and Net Assets	<u><u>\$6,573,867</u></u>	<u><u>\$ 541,860</u></u>

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
Changes in Unrestricted Net Assets		
Revenue and Support		
Contributions	\$ 208,183	\$ 489,534
Donated services and materials	94,626	39,000
Interest income	19,263	2,203
Net assets released from restrictions		
Satisfaction of program and other restrictions	35,871	190,930
Total Unrestricted Revenue and Support	357,943	721,667
Expenses		
Program Services	242,200	248,038
Supporting Services		
Management and general	124,859	62,093
Fundraising	32,147	53,410
Total Expenses	399,206	363,541
(Decrease) Increase in Unrestricted Net Assets	(41,263)	358,126
Change in Temporarily Restricted Net Assets		
Contributions (Note 4)	6,087,390	159,322
Net assets released from restrictions	(35,871)	(190,930)
Increase (Decrease) in Temporarily Restricted Net Assets	6,051,519	(31,608)
Increase in net assets	6,010,256	326,518
Net assets, beginning of year	538,975	212,457
Net Assets, End of Year	\$6,549,231	\$ 538,975

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
Cash Flows From Operating Activities		
Increase in net assets	\$6,010,256	\$ 326,518
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	1,411	2,331
(Increase) decrease in:		
Accounts receivable	-	8,790
Unconditional promises to give	(1,313,028)	-
Prepaid expenses	98	(765)
Security deposit	780	(780)
Increase in accounts payable	21,751	2,885
Net Cash Provided By Operating Activities	4,721,268	338,979
 Cash Flows From Investing Activities		
Acquisition of computer and equipment	(2,431)	(1,856)
Net increase in cash and cash equivalents	4,718,837	337,123
Cash and cash equivalents, beginning of year	537,835	200,712
 Cash and Cash Equivalents, End of Year	\$5,256,672	\$ 537,835

See notes to financial statements.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2005 AND 2004****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 - Computer Equipment

Computer equipment acquired is recorded at cost. Computer equipment is depreciated using the straight-line method over the useful life of the related asset.

d - 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.

e - Estimates

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

f - Cash and Cash Equivalents

The Organization considers all short-term highly-liquid investments such as money market funds to be cash equivalents. At December 31, 2005, cash equivalents include \$4,709,153 of money market funds.

g - 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 under an advance ruling letter which expired December 31, 2005. The Organization has made the required tax filings and is currently awaiting notification of its non-private foundation status.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005 AND 2004

Note 2 - Restriction of Assets

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

Note 3 - Computer Equipment

Computer equipment consist of the following:

	<u>Life</u>	<u>2005</u>	<u>2004</u>
Computer equipment	3 years	\$8,719	\$6,288
Less: Accumulated depreciation		(5,219)	(3,808)
Total		<u>\$3,500</u>	<u>\$2,480</u>

Depreciation expense for the years ended December 31, 2005 and 2004 was \$1,411 and \$2,331, respectively.

Note 4 - 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 is conditional upon receiving matching contributions of \$1,500,000. As of December 31, 2005, \$1,350,000, representing matching contributions, were raised and accordingly, an additional \$2,700,000 was received from Gates. The remaining \$300,000 is conditional upon raising matching amounts of \$150,000. The final \$10,000,000 is conditional upon the Organization raising \$20,000,000 toward the project from other sources.

Included in the \$1,350,000 above, is an \$850,000 promise to give conditional upon receiving the same amount of matching contributions, which was deemed matched by the Gates grant.

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2005 AND 2004****Note 5 - Functional Allocation of Expenses**

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

Note 6 - Concentration of Credit Risk

The Organization maintains its cash balances in a financial institution located in New York City. The balances in the financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000.

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 2005 and 2004 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, 2005 with comparative totals for 2004 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
February 28, 2006

ASIAN UNIVERSITY FOR WOMEN (AUW) SUPPORT FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2005 WITH COMPARATIVE TOTALS FOR 2004

	Program Services	Supporting Services		2005	2004
		Management and General	Fundraising	Total Expenses	Total Expenses
Salaries and payroll taxes	\$ 43,170	\$ 7,288	\$ 5,607	\$ 56,065	\$113,068
Consultant expense	109,379	18,467	14,205	142,051	93,207
Business travel	51,137	8,634	6,641	66,412	33,240
Office supplies and expenses	591	4,554	769	5,914	4,747
Printing	7,690	1,298	999	9,987	12,367
Postage	1,969	332	256	2,557	1,853
Dues and Subscription	-	5,394	-	5,394	3,918
Program Expense	-	-	-	-	15,584
Insurance	-	3,512	-	3,512	4,826
Publicity expense	-	-	-	-	13,243
Telephone	543	90	70	703	6,455
Accounting	-	9,003	-	9,003	8,089
Professional fees	-	58,626	-	58,626	3,804
Bank charges	-	247	-	247	287
Occupancy	27,721	4,679	3,600	36,000	36,000
Miscellaneous	-	1,324	-	1,324	10,522
Total expenses before depreciation	242,200	123,448	32,147	397,795	361,210
Depreciation	-	1,411	-	1,411	2,331
Total Expenses, 2005	<u>\$242,200</u>	<u>\$ 124,859</u>	<u>\$ 32,147</u>	<u>\$399,206</u>	
Total Expenses, 2004	<u>\$248,038</u>	<u>\$ 62,093</u>	<u>\$ 53,410</u>		<u>\$363,541</u>

See independent auditor's report on additional information.