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Check if Schedule O contains a response to any question in this Part III

THE ORGANIZATION IS DEDICATED TO SUPPORTING HIGHER EDUCATION IN AFGHANISTAN THROUGH ENTITIES SUCH AS THE AMERICAN UNIVERSITY IN AFGHANISTAN BY HOSTING LARGE SCALE EVENTS ACROSS THE UNITED STATES TO CULTIVATE DONORS, FACILITATES SMALL CORPORATE BRIEFINGS, AND ADVOCATES FOR CONTINUED EDUCATIONAL DEVELOPMENT IN AFGHANISTAN. THE ORGANIZATION IS ALSO DEDICATED TO FORMING PARTNERSHIPS WITH OTHER ORGANIZATIONS SUPPORTING AFGHANISTAN AND EDUCATION.

If "Yes," describe these new services on Schedule O

If "Yes," describe these changes on Schedule O

4a	(Code	) (Expenses \$	2,399,774	including grants of \$	2,294,308) (Revenue \$	2,170,000)
SUPPORTING HIGHER EDUCATION IN AFGHANISTAN						

[illegible][illegible]

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e	Total program service expenses	\$ 2,399,774
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Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A. 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e	No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	11f	No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12a	Yes
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	12b	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I 	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II and IV . . . 	15	Yes
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III and IV . . . 	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23		No
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34		No
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance		
Check if Schedule O contains a response to any question in this Part V ☐		
		YesNo
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	2
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return. .	4
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2bYes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3aNo
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)? .	4aNo
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5aNo
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5bNo
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6aNo
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b
7	Organizations that may receive deductible contributions under section 170(c).	
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7aNo
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7cNo
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7eNo
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7fNo
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8
9	Sponsoring organizations maintaining donor advised funds.	
a	Did the organization make any taxable distributions under section 4966?	9a
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b
10	Section 501(c)(7) organizations. Enter	
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b
11	Section 501(c)(12) organizations. Enter	
a	Gross income from members or shareholders.	11a
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b
c	Enter the aggregate amount of reserves on hand.	13c
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14aNo
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b

Part VI

Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI ☒

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1a	7		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	7
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	No
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	No
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	
13	Did the organization have a written whistleblower policy?	13	No
14	Did the organization have a written document retention and destruction policy?	14	No
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	Yes
b	Other officers or key employees of the organization	15b	Yes
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed ☒ DC
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ☒ KATHLEEN CONLON 1901 PENNSYLVANIA AVE NW STE 207 WASHINGTON, DC 20006 (202) 775-5901

Check if Schedule O contains a response to any question in this Part VII ☒

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

Form **990** (2011)

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	70,948	0	0

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization: 0

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	No
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A)	(B)	(C)
Name and business address	Description of services	Compensation
TECHNOLOGISTS 1700 N MOORE ST STE 1905 ARLINGTON, VA 22209	GENERAL CONTRACTOR	1,620,000
BURKETT DESIGN 1899 WYNKOOP ST DENVER, CO 80202	ARCHITECT	150,673

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►2

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	421,719			
	g	Noncash contributions included in lines 1a-1f \$ _____					
	h	Total. Add lines 1a-1f			421,719		
Program Service Revenue	2a	ICAWED - WOMEN'S CENTER GRANT	Business Code	2,170,000			
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		2,170,000			
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		57		
4		Income from investment of tax-exempt bond proceeds . . .		0			
5		Royalties		0			
6a		Gross rents	(i) Real (ii) Personal				
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)					
7a		Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
b		Less cost or other basis and sales expenses					
c		Gain or (loss)					
d		Net gain or (loss)		0			
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
b		Less direct expenses	b				
c		Net income or (loss) from fundraising events . . .		0			
9a		Gross income from gaming activities See Part IV, line 19	a				
b		Less direct expenses	b				
c		Net income or (loss) from gaming activities . . .		0			
10a		Gross sales of inventory, less returns and allowances	a				
b		Less cost of goods sold . . .	b				
c		Net income or (loss) from sales of inventory . . .		0			
		Miscellaneous Revenue	Business Code				
11a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		0				
12	Total revenue. See Instructions		2,591,776				

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	2,294,308	2,294,308		
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	70,948	30,656	23,371	16,921
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	76,794		36,179	40,615
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0			
9	Other employee benefits	5,939	857	2,631	2,451
10	Payroll taxes	12,504	1,801	5,541	5,162
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	42,913	16,301	8,871	17,741
c	Accounting	7,225		2,408	4,817
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	36,034		12,011	24,023
12	Advertising and promotion	0			
13	Office expenses	8,555		2,852	5,703
14	Information technology	7,885		2,628	5,257
15	Royalties	0			
16	Occupancy	59,016		19,672	39,344
17	Travel	69,945	37,838	10,702	21,405
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	21,128		7,043	14,085
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	4,414		1,471	2,943
23	Insurance	4,279		1,426	2,853
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	EQUIPMENT RENTAL & MAINTENANCE	147		48	99
b	MEMBERSHIPS & DUES	735		245	490
c	BOOKS, SUBSCRIPTIONS, REF MAT	97		32	65
d	POSTAGE	2,736		912	1,824
e					
f	All other expenses	183,386	18,013	77,850	87,523
25	Total functional expenses. Add lines 1 through 24f	2,908,988	2,399,774	215,893	293,321
26	Joint costs. Check here ☒ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			201,801	1	363,342
	2	Savings and temporary cash investments			69,005	2	18,092
	3	Pledges and grants receivable, net			9,708	3	10,000
	4	Accounts receivable, net			0	4	47,583
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L			0	6	0
	7	Notes and loans receivable, net			0	7	0
	8	Inventories for sale or use			0	8	0
	9	Prepaid expenses and deferred charges			0	9	0
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	19,370	17,891	10c	13,477
	b	Less: accumulated depreciation	10b	5,893			
	11	Investments—publicly traded securities			0	11	0
	12	Investments—other securities. See Part IV, line 11			0	12	0
	13	Investments—program-related. See Part IV, line 11			0	13	0
	14	Intangible assets			0	14	0
	15	Other assets. See Part IV, line 11			66,425	15	4,601
16	Total assets. Add lines 1 through 15 (must equal line 34)			364,830	16	457,095	
Liabilities	17	Accounts payable and accrued expenses			10,048	17	419,525
	18	Grants payable			0	18	0
	19	Deferred revenue			0	19	0
	20	Tax-exempt bond liabilities			0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties			0	23	0
	24	Unsecured notes and loans payable to unrelated third parties			0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			0	25	0
	26	Total liabilities. Add lines 17 through 25			10,048	26	419,525
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.				354,782	27	37,570
	27	Unrestricted net assets					
	28	Temporarily restricted net assets					
	29	Permanently restricted net assets			0	28	0
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.					30	
	30	Capital stock or trust principal, or current funds					
	31	Paid-in or capital surplus, or land, building or equipment fund					
	32	Retained earnings, endowment, accumulated income, or other funds				31	
	33	Total net assets or fund balances			354,782	32	
	34	Total liabilities and net assets/fund balances			364,830	33	37,570
					34	457,095	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,591,776
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,908,988
3	Revenue less expenses Subtract line 2 from line 1	3	-317,212
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	354,782
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	37,570

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization FRIENDS OF THE AMERICAN UNIVERSITY OF AFGHANISTAN	Employer identification number 26-3639601
---	--

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9

☒

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))					14	
15 Public Support Percentage for 2010 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						
b 33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						
17a 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization						
b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions						

Part IIIPart III

Support Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")		316,927	693,016	500,052	2,591,719	4,101,714
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5		316,927	693,016	500,052	2,591,719	4,101,714
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						4,101,714

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9	Amounts from line 6		316,927	693,016	500,052	2,591,719	4,101,714
10a	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources		252	622	633	57	1,564
b	Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c	Add lines 10a and 10b		252	622	633	57	1,564
11	Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12	Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)		119,418	289,237			408,655
13	Total support (Add lines 9, 10c, 11 and 12)		436,597	982,875	500,685	2,591,776	4,511,933
14	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage			
15	Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16	Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage			
17	Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	
18	Investment income percentage from 2010 Schedule A, Part III, line 17	18	
19a	33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization 		
b	33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization 		
20	Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
Attach to Form 990. See separate instructions.

Name of the organization FRIENDS OF THE AMERICAN UNIVERSITY OF AFGHANISTAN	Employer identification number 26-3639601
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Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	☐ Yes ☐ No
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically importantly land area
☐ Preservation of a certified historic structure

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4

Number of states where property subject to conservation easement is located ▶ _____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i)

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

(ii)

Assets included in Form 990, Part X

▶ \$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i)

unrelated organizations

(ii)

related organizations

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		
3a(ii)		
3b		

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land			
b	Buildings			
c	Leasehold improvements			
d	Equipment	8,642	4,145	4,497
e	Other	10,728	1,748	8,980
Total.	Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶			13,477

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	12,591,776
2	Total expenses (Form 990, Part IX, column (A), line 25)	2,908,988
3	Excess or (deficit) for the year Subtract line 2 from line 1	-317,212
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	
9	Total adjustments (net) Add lines 4 - 8	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	-317,212

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	12,591,776
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e	
3	Subtract line 2e from line 1	32,591,776
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	52,591,776

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	12,870,316
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e	
3	Subtract line 2e from line 1	32,870,316
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a	
b	Other (Describe in Part XIV)4b38,672	
c	Add lines 4a and 4b4c38,672	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	52,908,988

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
SCHEDULE D, PART XIII, LINE 4B	PART XIII, LINE 4B	THERE ARE \$38,672 OF EXPENSES INCLUDED ON FORM 990 THAT WERE NOT INCLUDED IN THE AUDITED STATEMENTS. THESE EXPENSES REFLECT AMOUNTS INITIALLY SETUP TO BE REIMBURSED FOR THE FISCAL YEAR ENDING JUNE 30 2011 THAT WERE RECATEGORIZED AND EXPENSED IN THAT FISCAL YEAR BY THE AUDITORS. THE EXPENSES ARE BEING REPORTED ON THIS FORM 990.

OMB No 1545-0047

Open to Public Inspection

26-3639601

3 Activites per Region (Use Part V if additional space is needed)

Schedule F (Form 990) 2011

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000 ☐

Use Part V if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
			South Asia	GENERAL SUPPORT	124,308				
			South Asia	SCHOOL CONSTRUCTION	2,170,000				

2

Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ☐

3

Enter total number of other organizations or entities ☐

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Use Part V if additional space is needed.

[illegible]

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*

☐

Yes

☒

No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*

☐

Yes

☒

No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*

☐

Yes

☒

No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*

☐

Yes

☒

No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*

☐

Yes

☒

No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*

☐

Yes

☒

No

Part V

Supplemental Information
Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

Identifier	Return Reference	Explanation
FORM 990, SCHEDULE F, PART II, LINE 1 ACCOUNTING METHOD	FORM 990, SCHEDULE F, PART II, LINE 1 ACCOUNTING METHOD	THE ORGANIA TION USES THE ACCRUAL METHOD OF ACCOUNTING WHEN ACCOUNTING FOR GRANTS TO THE AMERICAN UNIV ERSITY IN AFGHANISTAN WHICH IS THE SAME METHOD OF ACCOUNTING USED BY THE ORGANZIA TION TO COMPLY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2011

**Open to Public
Inspection**

Name of the organization
FRIENDS OF THE AMERICAN UNIVERSITY OF
AFGHANISTAN

Employer identification number

26-3639601

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A - LINES 7A & 7B		7A PER THE ASSOCIATION BY LAWS THE BOARD MEMBERS HAVE THE AUTHORITY TO ELECT MEMBERS OF THE GOVERNING BODY FOR SPECIFIED TERMS OUTLINED IN THE BY LAWS 7B PER THE ASSOCIATION BY LAWS THE BOARD MEMBERS HAVE THE AUTHORITY TO MAKE DECISIONS ON BEHALF OF THE ASSOCIATION BY VOTING ON THE DECISIONS SET FORTH BEFORE THEM
FORM 990, PART VI, SECTION B - LINE 11A		THE ANNUAL FORM 990 IS REVIEWED BY THE BOARD CHAIR BEFORE SIGNATURE AND SUBSEQUENT FILING
FORM 990, PART VI, SECTION B - LINES 15A & 15B		THE BOARD DETERMINES THROUGH DISCUSSIONS AND VOTING ANNUALLY THE COMPENSATION FOR THE ASSOCIATIONS EMPLOYEES WHICH INCLUDES THE EXECUTIVE DIRECTOR
FORM 990, PART VI, SECTION C - LINE 19		THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, FINANCIAL STATEMENTS AND ANNUAL FORM 990 AVAILABLE TO THE PUBLIC UPON WRITTEN REQUEST TO THE ORGANIZATION
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DAEMAN HARRIS TITLE DIRECTOR AND TREASURER HOURS

**The Friends of the American University of Afghanistan
AUDIT PERFORMED IN ACCORDANCE
WITH OMB CIRCULAR A-133
JUNE 30, 2012**

HALEY & ASSOCIATES, LLC

**CERTIFIED PUBLIC ACCOUNTANTS
BELTSVILLE, MARYLAND 20705**

The Friends of the American University of Afghanistan

TABLE OF CONTENTS

AUDIT PERFORMED IN ACCORDANCE

WITH OMB CIRCULAR A-133

FOR THE YEAR ENDING JUNE 30, 2012

CONTENTS

	<u>Reference</u>
Report of Independent Auditors	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	5
Notes to Financial Statements	7 - 11
Accompanying Information	
Report on Required Supplementary Schedules	12
Schedule of Expenditure of Federal Awards	13
Notes to Schedule of Expenditures of Federal Awards	14
Report on Compliance and on Internal Controls over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	15
Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance With OMB Circular A-133	16 - 17
Schedule of Findings and Questioned Costs	18 - 19

HALEY & ASSOCIATES, LLC
Certified Public Accountants

REPORT OF INDEPENDENT AUDITORS

Board of Directors
The Friends of the American University of Afghanistan
Washington, DC

We have audited the accompanying statement of financial position of the Friends of the American University of Afghanistan (a nonprofit organization) as of June 30, 2012 and the related statements of activities, and cash flows for the year then ended. The statements for the year ended June 30, 2011 were unaudited and included for comparison purposes only. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards of the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States. 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 audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position, and the related statements of activities, and cash flows for the year then ended of the Friends of the American University of Afghanistan as of June 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have issued our report dated April 12, 2013 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133. Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of these 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.



Haley & Associates, LLC, Certified Public Accountants
April 12, 2013

Friends of the American University of Afghanistan
Statements of Financial Position
As of June 30, 2012 and 2011

	2012	2012	2012	2012	Unaudited 2011
Assets	Unrestricted	Temporarily Restricted	Federal Grant	Total	Total
Cash Equivalents (see note 6)	\$ 31,434	\$ -	\$ 350,000	\$ 381,434	\$ 270,807
Accounts Receivable	47,583	-	-	47,583	32,830
Donations/Pledges Receivable (See note 9)	10,000	-	-	10,000	-
Current Assets	89,017	-	350,000	439,017	303,636
Furniture & Equipment (See note 7)	19,370	-	-	19,370	19,370
Less: Accumulated Depreciation	(5,893)	-	-	(5,893)	(1,479)
Net Furniture & Equipment	13,477	-	-	13,477	17,891
Other Assets	4,601	-	-	4,601	4,601
Total Assets	\$ 107,095	\$ -	\$ 350,000	\$ 457,095	\$ 326,128
Liabilities					
Accounts Payable and Accrued Expenses (Note 11)	69,525	-	350,000	419,525	10,018
Current Liabilities	69,525	-	350,000	419,525	10,018
Net Assets					
Temporarily Restricted Net Assets	-	-	-	-	-
Unrestricted Net Assets	37,570	-	-	37,570	316,110
Total Net Assets	37,570	-	-	37,570	316,110
Total Liabilities and Net Assets	\$ 107,095	\$ -	\$ 350,000	\$ 457,095	\$ 326,128

The Accompanying Footnotes are an integral part of these financial statements

Friends of the American University of Afghanistan
Statements of Activities
Year Ended June 30, 2012 and 2011

	2012			Unaudited 2011
	Unrestricted	Temporarily Restricted	Federal Grant	Total
Revenue:				
Federal Funding	\$ -	\$ -	\$ 2,170,000	\$ -
Corporate Contributions	160,135	-	-	199,899
Foundations	-	30,000	-	-
Individual Contributions	80,469	16,115	-	300,153
Scholarship Grant	-	10,000	-	-
Donated Services	-	125,000	-	-
Investment Income	57	-	-	633
Net Assets Released from Restriction	181,115	(181,115)	-	-
Total Revenue	\$ 421,776	\$ -	\$ 2,170,000	\$ 500,684
Expenses:				
<u>Federally Funded Project:</u>				
Women's Center (ICAWED)	\$ -	\$ -	\$ 2,170,000	\$ -
Sub-total Federally Funded Project	-	-	2,170,000	-
Afghanistan	124,308	-	-	542,746
<u>Contract Services:</u>				
Accounting	7,225	-	-	3,463
Legal	42,913	-	-	4,426
Outside Contract	10,209	-	-	2,837
Other Contract	25,009	-	-	3,053
Sub-total Contract Services	85,356	-	-	13,778

The Accompanying Footnotes are an integral part of these financial statements

Friends of the American University of Afghanistan
Statements of Activities
Year Ended June 30, 2012 and 2011

	2012			Unaudited 2011
	Unrestricted	Temporarily Restricted	Federal Grant	Total
<u>Facilities and Equipment</u>				
Depreciation	4,414	-	-	1,479
Equipment Rental and maintenance	148	-	-	192
Occupancy	53,295	-	-	63,594
Other	-	-	-	5,721
Sub-total Equipment and Maintenance	57,857	-	-	70,986
<u>Operations</u>				
Membership, dues, and other	-	-	-	830
Postage	1,090	-	-	3,028
Printing	4,492	-	-	15,614
Technology	5,152	-	-	4,951
Supplies	4,588	-	-	8,968
Telephone and Telecommunications	13,545	-	-	6,736
Website	3,750	-	-	-
Software	8,886	-	-	458
Sub-total Operations	11,503	-	-	40,586
<u>Other Expenses</u>				
Insurance	10,218	-	-	9,372
Bank fees	428	-	-	101
Other	8,235	-	-	1,213
Sub-total Other	18,881	-	-	10,686
<u>Personnel:</u>				
Payroll	161,867	-	-	142,514

The Accompanying Footnotes are an integral part of these financial statements

Friends of the American University of Afghanistan
Statements of Activities
Year Ended June 30, 2012 and 2011

	2012			Unaudited 2011
	Unrestricted	Temporarily Restricted	Federal Grant	Total
Donated Services	125,000	-	-	125,000
Expense reimbursement	1,371	-	-	1,371
Sub-total Personnel	288,238	-	-	288,238
Travel and Meetings				
Conference, Convention and meetings	5,160	-	-	5,160
Travel	65,605	-	-	65,605
Events	3,520	-	-	3,520
Other	5,388	-	-	5,388
Sub-total Travel and Meetings	79,673	-	-	79,673
Donations	4,500	-	-	4,500
Total Expenses	700,316	-	-	2,870,316
Net Revenue over Expenses	(278,540)	-	-	(278,540)
Net Assets at Beginning of Period	316,110	-	-	316,110
Net Assets at End of Period	\$ 37,570	\$ -	\$ -	\$ 37,570
				\$ 316,110

The Accompanying Footnotes are an integral part of these financial statements

Friends of the American University of Afghanistan
Statement of Cash Flows
As of June 30, 2012 and 2011

	2012			Unaudited 2011
	Unrestricted	Temporarily Restricted	Federal Grant	Total
	\$	\$	\$	\$
Net Revenue over Expenses for the Period	(278,540)	-	-	(278,540)
Less:				
Depreciation	4,414	-	-	4,414
Net (Increase) Decrease in Receivables	(24,753)	-	-	(24,753)
Net (Decrease) Increase in Payables	59,507	-	350,000	409,507
Total Cash Provided (Used) by Operations	(239,372)	-	350,000	110,628
Cash from <u>Financing Activities</u> :				
Purchase of Fixed Assets	-	-	-	-
Total Cash from (Used for) Financing Activities	-	-	-	-
Net Increase (Decrease) in Cash	(239,372)	-	350,000	110,628
Cash at Beginning of Period	270,806	-	-	270,806
Cash at End of Period	\$ 31,434	\$ -	\$ 350,000	\$ 381,434
				\$ 270,806

The Accompanying Footnotes are an integral part of these financial statements

The Friends of the American University of Afghanistan
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE A - ORGANIZATION AND NATURE OF BUSINESS

The Friends of the American University of Afghanistan (FAUAF) (Organization) was incorporated in 2008 in the District of Columbia as a 501 (C) (3). The Organization's tax-exempt mission is:

The Organization is dedicated to support higher education in Afghanistan through entities such as the American University of Afghanistan (AUAF), Afghanistan's only independent, private, not for profit, non-sectarian, coeducational institute of higher learning. FAUAF serves as a development and communications center for the United States donors.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

Method of Accounting - The Friends of the American University of Afghanistan (Organization) follows the accrual basis of accounting and principles of nonprofit accounting to comply with restrictions placed on contributions by donors. All assets, liabilities, and activities are classified for accounting and reporting purposes in accordance with Statement of Financial Accounting Standards (SFAS) No. 117 of the Financial Accounting Standards Board, *Financial Statements of Not-for-Profit Organizations*. All financial transactions have been recorded according to the three classes of net assets described in SFAS No. 117 - unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no temporarily or permanently restricted net assets.

Cash and cash equivalents - Amounts held in checking, savings and money market accounts are classified as cash and cash equivalents in the financial statements.

Furniture and Equipment - Furniture and equipment is capitalized and depreciated on a straight-line method over the estimated useful life of the asset.

Revenue Recognition - Grant funds are deemed to be earned and recognized as revenue when the Organization has completed milestones in compliance with the specific grant terms.

The Friends of the American University of Afghanistan
NOTES TO FINANCIAL STATEMENTS – CONTINUED

Donations. The Organization receives individual, foundation and corporate donations. As indicated by the donor these funds are designated as unrestricted or restricted. To the extent no indication is made these were determined to be unrestricted.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

2. Income Taxes

The Friends of the American University of Afghanistan is exempt from taxes under section 501(c) (3) of the Internal Revenue Code. There is no provision for income taxes in these financial statements. The Organization annually files with the Internal Revenue Service form 990 *Return of Organization Exempt from Income Tax*. This form is open to public inspection. Management represents that there are no activities that would generate unrelated business income tax.

3. Related Party Activity

The Organization's President/Chairman is also a board member of the American University of Afghanistan. Legal counsel that is retained by the organization has a firm member that is related through marriage to the President/Chairman. During the fiscal year ended June 30, 2012 \$42,629 was incurred to that firm.

4. Commitments

The Organization currently has a contractual obligation for future rental payments on the lease at 1901 Pennsylvania Avenue, Washington, DC as follows:

• Fiscal year 2013	\$55,112
• Fiscal year 2014	\$41,409
Total	\$96,521

5. Contingencies

According to management and the Organization's legal counsel there is no pending litigation or contingencies that would adversely affect the Organization and require adjustment to, or disclosure in the financial statements.

The organization has received no communication for the Department of Defense that they are inquiring into program costs charged to the project.

The Friends of the American University of Afghanistan
NOTES TO FINANCIAL STATEMENTS – CONTINUED

6. Concentration of Credit Risks - Cash Balances

The Organization typically does not have amounts in excess of the FDIC limit; however, during the fiscal year there were periods that cash balances exceeded the FDIC limits. Organization funds are disbursed for program expenses in close proximity of receipt of funds under the Department of Defense Grant.

7. Equipment Purchases

Expenditures made under the Grant for building and equipment costs are not capitalized as the structure has been donated to the American University of Afghanistan. The organization's operating fixed assets (furniture and computers) has been capitalized and depreciated over an estimated useful life.

8. Revenues

Federal Grant: In September 2011 the organization received a \$5 million grant from the Department of Defense for the completion of a building on the campus of the American University of Afghanistan in Kabul, Afghanistan entitled "The International Center of Afghan Women's Economic Development". The organization recognizes revenue from the grant as those revenues are earned based on a percentage of completion of the contract. As of June 30, 2012 the organization recognized revenue as follows:

Total program funding	\$5,000,000
Percentage of Project Completion	= <u>43.40</u> %
Total Revenue:	\$2,170,000

Total Billed and Received from Grant:	\$2,170,000
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In-Kind: The Chairman/President of the organization has foregone compensation for her duties, this amount is recognized as an in-kind contribution to the organization.

9. Grants Receivable

Grant funds received prior to being expended are recorded as a liability and funds expended prior to reimbursement or draw-downs are recorded as a receivable. Grants receivable represents amounts due the Organization for costs and expenses incurred that are expected to be reimbursed by the Federal Grant. As of June 30, 2012 there were no costs incurred that would be due from the Federal grant. The estimated 43.40 percentage of completion match the funding received.

The Friends of the American University of Afghanistan
NOTES TO FINANCIAL STATEMENTS - CONTINUED

10. Pledges Receivable

As of June 30, 2012 the organization received commitments for funding in the amount of \$10,000 that will be collected in future periods as follows:

Restricted	<u>\$10,000</u>
Total	<u>\$10,000</u>

11. Accrued Expenses

As of June 30, 2012 the organization received a payment under the grant for costs incurred by contractors for work performed not paid in the amount of \$350,000.

12. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

13. Reconciliation of Award Costs to Financial Statements

Total Expenses Charged to Award:

Federal Awards:

Contractual:

HQ00341110002	\$ <u>2,170,000</u>
Total Charged to Federal Awards	\$ <u>2,170,000</u>

Total Expenses Per Audit Report	\$ <u><u>2,170,000</u></u>
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The Friends of the American University of Afghanistan
NOTES TO FINANCIAL STATEMENTS – CONTINUED

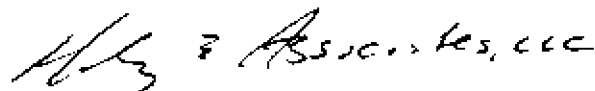
12. Subsequent Events Review

Subsequent events have been evaluated through April 12, 2013, which is the date the financial statements were available to be issued. This review and evaluation revealed no new material event or transaction which would require an additional adjustment to or disclosure in the accompanying financial statements.

REPORT OF INDEPENDENT AUDITORS ON REQUIRED SUPPLEMENTARY SCHEDULES

Board of Directors
The Friends of the American University of Afghanistan
Washington, DC

Our audit of the financial statements of the Friends of the American University of Afghanistan for the year ended June 30, 2012 was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The Supplemental Schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Haley & Associates, LLC

April 12, 2013

**The Friends of the American University of Afghanistan
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE YEAR ENDED JUNE 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Grant Number	CFDA Number	Expenditures of Federal Funds
MAJOR FEDERAL AWARD PROGRAMS			
Department of Defense (Task Force for Business & Stability Operations (TFBSO))	HQ0034110002	12.975	\$2,170,000
Total Charged to Federal Awards			<u>\$2,170,000</u>

The Friends of the American University of Afghanistan

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2012

NOTE 1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of The Friends of the American University of Afghanistan.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting and the cost accounting principles contained in the U.S. Office of Management and Budget (OMB) Circular A-122, *Cost Principles for Nonprofit Organizations*. Under those cost principles, certain types of expenses are not allowable or are limited as to reimbursement. Revenue is recognized when allowable expenses are incurred.

NOTE 3. CONTINGENCY

The Department of Defense retains the right to disallow certain reimbursements and expenses claimed on audit findings. In the event of final disallowance, the funds will be reimbursed from other sources.

HALEY & ASSOCIATES, LLC
Certified Public Accountants

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
The Friends of the American University of Afghanistan

We have audited the financial statements of The Friends of the American University of Afghanistan as of and for the year ended June 30, 2012, and have issued our report thereon dated April 12, 2013. We conducted our audit in accordance with the generally accepted auditing standards of the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

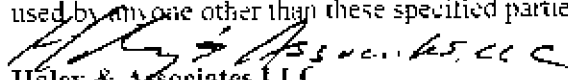
COMPLIANCE

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Haley & Associates LLC
April 12, 2013

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
The Friends of the American University of Afghanistan

COMPLIANCE

We have audited the compliance of The Friends of the American University of Afghanistan (the Organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2012. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards of the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 required that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

INTERNAL CONTROL OVER COMPLIANCE

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Board of Directors
April 12, 2013
Page Two

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components is not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Haley & Associates LLC, Certified Public Accountants
April 12, 2013

**The Friends of the American University of Afghanistan
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2012

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	___ Yes	___X___ no
Reportable condition(s) identified that are not considered to be material weaknesses?	___ Yes	___X___ none reported
Noncompliance material to financial statements noted?	___ Yes	___X___ no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	___ Yes	___X___ no
Reportable condition(s) identified that are not considered to be material weaknesses?	___ Yes	___X___ none reported
Type of auditor's report issued on compliance for major programs	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	___ Yes	___X___ no

Identification of major programs:

<u>Name of Federal Program</u>	<u>Grant Number</u>	<u>CFDA Number</u>
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Department of Defense

<u>International Center for Afghan Women's Economic Development</u>	
Department of Defense	HQ00341110002
(Task Force for Business & Stability Operations)	

12.597

Dollar threshold used to distinguish between types A and type B programs	\$500,000
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The organization is making an initial filing accordingly: the Organization qualifies as a high-risk auditee

**The Friends of the American University of Afghanistan
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2012

Section II – Financial Statement Findings

None

Section III- Major Federal Award Findings and Questioned Costs

None