

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2021 AND 2020



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**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENTS OF ACTIVITIES	4
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	5
CONSOLIDATED STATEMENTS OF CASH FLOWS	7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	22
SUPPLEMENTARY INFORMATION	
CONSOLIDATING STATEMENT OF FINANCIAL POSITION—2021	23
CONSOLIDATING STATEMENT OF FINANCIAL POSITION—2020	24
CONSOLIDATING STATEMENT OF ACTIVITIES—2021	25
CONSOLIDATING STATEMENT OF ACTIVITIES—2020	26



INDEPENDENT AUDITORS' REPORT

Governing Board
American Foreign Service Association
and Related Organizations
Washington, DC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of American Foreign Service Association and Related Organizations (the Association), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Association as of December 31, 2021 and 2020, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenbelt, Maryland
August 17, 2022

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020**

ASSETS	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 961,596	\$ 901,845
Short-Term Investments	545,918	232,540
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$14,000 and \$11,000, Respectively	176,139	137,939
Prepaid Expenses	177,565	200,428
Inventory	9,563	9,372
Total Current Assets	1,870,781	1,482,124
NONCURRENT ASSETS		
Investments	17,521,917	16,127,676
Beneficial Interest in Perpetual Trusts	1,149,831	1,050,713
Property and Equipment, Net of Accumulated Depreciation and Amortization	1,751,462	1,826,730
Deferred Compensation Plan Investments	686,094	579,468
Total Noncurrent Assets	21,109,304	19,584,587
Total Assets	\$ 22,980,085	\$ 21,066,711
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 27,026	\$ 17,626
Accrued Expenses	404,399	346,979
Capital Lease Payable, Current Portion	3,988	3,811
Deferred Revenue	434,466	462,015
Total Current Liabilities	869,879	830,431
NONCURRENT LIABILITIES		
Capital Lease Payable	4,886	8,868
Deferred Compensation Plan Obligations	686,094	579,468
Total Noncurrent Liabilities	690,980	588,336
Total Liabilities	1,560,859	1,418,767
NET ASSETS		
Without Donor Restrictions	7,167,809	6,603,046
With Donor Restrictions:		
Purpose	12,933,033	11,825,632
Perpetuity	1,318,384	1,219,266
Total With Donor Restrictions	14,251,417	13,044,898
Total Net Assets	21,419,226	19,647,944
Total Liabilities and Net Assets	\$ 22,980,085	\$ 21,066,711

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
WITHOUT DONOR RESTRICTIONS REVENUE, GAINS, AND OTHER SUPPORT		
Member Dues	\$ 4,435,287	\$ 4,157,973
Advertising Sales, Net of Discounts of \$50,270 and \$61,191, Respectively	584,746	449,490
Contributions	210,246	211,865
Dividends and Interest, Net of Fees of \$111,469 and \$96,040, Respectively	127,007	114,871
Book Sales	32,051	26,400
Other	46,872	51,466
Subscriptions	5,803	7,058
Net Realized and Unrealized Gains on Investments	533,064	496,547
Net Assets Released from Restrictions:		
Satisfaction of Program Restrictions	556,101	813,076
Total Without Donor Restrictions Revenue, Gains, and Other Support	6,531,177	6,328,746
EXPENSES		
Program Services:		
Journal	1,188,264	1,107,536
Labor Relations	1,514,378	1,773,057
Membership Services	191,866	133,680
Retirees	221,193	222,603
Public Affairs	236,731	194,590
Foreign Professional Services Policy Issues	160,858	155,274
Congressional Affairs	240,270	256,340
Public Education and Outreach	241,352	151,360
Professional Awards	84,491	72,501
Essay Contest	65,213	59,647
Scholarships	441,670	375,460
Political Action Committee	216	28,012
Total Program Services	4,586,502	4,530,060
Supporting Services:		
Management and General	1,053,859	933,163
Member Support	53,430	39,428
Board and President	233,319	268,497
Fundraising	2,322	1,376
Election	36,982	11,444
Total Supporting Services	1,379,912	1,253,908
Total Expenses	5,966,414	5,783,968
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	564,763	544,778
WITH DONOR RESTRICTIONS REVENUE AND GAINS		
Contributions	110,907	229,688
Dividends and Interest, Net of Fees	253,264	233,269
Net Realized and Unrealized Gains on Investments	1,299,331	1,072,896
Change in Beneficial Interest in Perpetual Trusts	99,118	147,445
Net Assets Released from Restrictions:		
Satisfaction of Program Restrictions	(556,101)	(813,076)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	1,206,519	870,222
CHANGE IN NET ASSETS	1,771,282	1,415,000
Net Assets - Beginning of Year	19,647,944	18,232,944
NET ASSETS - END OF YEAR	\$ 21,419,226	\$ 19,647,944

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	Program Services											Supporting Services								Total	
	Journal	Labor Relations	Membership Services	Retirees	Public Affairs	Foreign Professional Services Policy Issues	Congressional Affairs	Public Education and Outreach	Professional Awards	Essay Contest	Scholarships	Political Action Committee	Total Program Services	Management and General	Member Support	Board and President	Fundraising	Election	Total Supporting Services		Overhead Allocation
Salaries, Benefits, and Training	\$ 608,059	\$ 1,363,152	\$ 190,880	\$ 160,983	\$ 189,662	\$ 132,543	\$ 193,582	\$ 126,281	\$ 30,772	\$ 18,816	\$ 38,047	\$ -	\$ 3,052,777	\$ 747,440	\$ -	\$ 180,276	\$ -	\$ -	\$ 927,716	\$ -	\$ 3,980,493
Professional Fees	112,446	900	-	-	10,428	3,125	5,000	5,200	968	-	-	-	138,067	70,247	2,803	5,456	-	29,690	108,196	(44,497)	290,760
Information Technology	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500	-	-	-	-	1,500	(97,700)	99,200
Publications	176,895	4,071	-	693	-	-	6	-	60	1,097	-	-	182,822	2,252	10,498	235	-	1,665	14,650	(2,767)	200,239
Travel and Entertainment	373	490	82	-	623	-	49	126	31	-	-	-	1,774	8,619	18	3,772	-	-	12,409	-	14,183
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	2,967	-	-	-	-	2,967	(140,777)	143,744
Bad Debt Expense	3,000	-	-	-	-	-	-	-	-	-	-	-	3,000	-	-	-	-	-	-	-	3,000
General Office Expenses	103,992	21,076	-	25,863	-	716	5,077	101,020	38,801	42,195	-	216	338,956	14,182	2,790	6,976	2,322	-	26,270	(454,439)	819,665
Scholarships	-	-	-	-	-	-	-	-	-	-	401,732	-	401,732	-	-	-	-	-	-	-	401,732
Board and Committees	-	-	-	-	-	-	-	-	-	-	-	-	-	775	-	1,105	-	-	1,880	-	1,880
Cost of Goods Sold	-	-	904	-	-	-	-	6,014	-	-	-	-	6,918	-	-	-	-	-	-	-	6,918
Advertising and Promotion	2,709	-	-	-	-	-	-	-	-	-	1,891	-	4,600	-	-	-	-	-	-	-	4,600
Overhead	180,790	124,689	-	33,654	36,018	24,474	36,556	2,711	13,859	3,105	-	-	455,856	205,877	37,321	35,499	-	5,627	284,324	740,180	-
Total Expenses	\$ 1,188,264	\$ 1,514,378	\$ 191,866	\$ 221,193	\$ 236,731	\$ 160,858	\$ 240,270	\$ 241,352	\$ 84,491	\$ 65,213	\$ 441,670	\$ 216	\$ 4,586,502	\$ 1,053,859	\$ 53,430	\$ 233,319	\$ 2,322	\$ 36,982	\$ 1,379,912	\$ -	\$ 5,966,414

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	Program Services											Supporting Services								Total	
	Journal	Labor Relations	Membership Services	Retirees	Public Affairs	Foreign Professional Services Policy Issues	Congressional Affairs	Public Education and Outreach	Professional Awards	Essay Contest	Scholarships	Political Action Committee	Total Program Services	Management and General	Member Support	Board and President	Fundraising	Election	Total Supporting Services		Overhead Allocation
Salaries, Benefits, and Training	\$ 640,698	\$ 1,303,750	\$ 118,070	\$ 163,589	\$ 165,644	\$ 127,930	\$ 175,688	\$ 96,336	\$ 26,511	\$ 16,748	\$ 37,397	\$ -	\$ 2,872,361	\$ 731,636	\$ 1,200	\$ 201,194	\$ -	\$ -	\$ 934,030	\$ -	\$ 3,806,391
Professional Fees	61,115	-	-	250	-	-	5,000	40,000	-	-	1,500	-	107,865	21,901	1,917	5,652	-	9,842	39,312	(43,008)	190,185
Information Technology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(73,650)	73,650
Publications	150,140	1,616	-	907	693	716	36,513	-	9	40	169	32	190,835	2,143	7,493	179	-	-	9,815	(909)	201,559
Travel and Entertainment	907	869	3,853	-	-	4,319	58	-	-	-	638	-	10,644	2,147	170	6,771	-	-	9,088	-	19,732
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	7,509	-	-	-	-	7,509	(152,433)	159,942
Political Contributions	-	-	-	-	-	-	-	-	-	-	-	23,000	23,000	-	-	-	-	-	-	-	23,000
General Office Expenses	95,010	333,407	10,006	26,702	1,018	577	3,204	7,367	35,065	40,019	-	4,980	557,355	8,323	4,420	17,122	1,376	-	31,241	(373,197)	961,793
Scholarships	-	-	-	-	-	-	-	-	-	-	335,756	-	335,756	-	-	-	-	-	-	-	335,756
Board and Committees	1,065	-	-	-	-	-	-	-	-	-	-	-	1,065	-	-	-	-	-	-	-	1,065
Cost of Goods Sold	-	-	804	-	-	-	-	5,554	-	-	-	-	6,358	-	-	-	-	-	-	-	6,358
Advertising and Promotion	3,590	-	947	-	-	-	-	-	-	-	-	-	4,537	-	-	-	-	-	-	-	4,537
Overhead	155,011	133,415	-	31,155	27,235	21,732	35,877	2,103	10,916	2,840	-	-	420,284	159,504	24,228	37,579	-	1,602	222,913	643,197	-
Total Expenses	\$ 1,107,536	\$ 1,773,057	\$ 133,680	\$ 222,603	\$ 194,590	\$ 155,274	\$ 256,340	\$ 151,360	\$ 72,501	\$ 59,647	\$ 375,460	\$ 28,012	\$ 4,530,060	\$ 933,163	\$ 39,428	\$ 268,497	\$ 1,376	\$ 11,444	\$ 1,253,908	\$ -	\$ 5,783,968

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,771,282	\$ 1,415,000
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	143,744	159,942
Net Unrealized and Realized Gains on Investments	(1,832,395)	(1,569,443)
Bad Debt Expense	3,000	-
Change in Beneficial Interest in Perpetual Trusts	(99,118)	(147,445)
Changes in Assets and Liabilities:		
Accounts Receivable, Net	(41,200)	107,173
Prepaid Expenses	22,863	(25,549)
Inventory	(191)	(2,466)
Accounts Payable	9,400	(20,376)
Accrued Expenses	57,420	114,261
Deferred Revenue	(27,549)	(12,268)
Net Cash Provided by Operating Activities	7,256	18,829
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,471,697)	(1,741,752)
Proceeds from Sales of Investments	1,596,473	1,678,733
Purchases of Property and Equipment	(68,476)	(51,990)
Net Cash Provided (Used) by Investing Activities	56,300	(115,009)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease	(3,805)	(3,642)
Net Cash Used by Financing Activities	(3,805)	(3,642)
NET CHANGE IN CASH AND CASH EQUIVALENTS	59,751	(99,822)
Cash and Cash Equivalents - Beginning of Year	901,845	1,001,667
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 961,596	\$ 901,845
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 5,111	\$ 666

See accompanying Notes to Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizations

The American Foreign Service Association (AFSA), which began operations in 1924, is the professional association of the Foreign Affairs agencies and, as of 1972, is the official employee representative of all Foreign Service employees in the Department of State, the United States Agency for International Development, the Foreign Commercial Service, the Foreign Agriculture Service, and the International Broadcasting Bureau. The Association derives its revenue principally from member dues, advertising sales, contributions, investment income, and subscriptions.

AFSA has three related organizations, the American Foreign Service Association Scholarship Fund (Scholarship Fund), the Fund for American Diplomacy (Fund), and the AFSA-Political Action Committee (PAC). These are organizations that are operated, supervised, and controlled by AFSA. These organizations may receive contributions that are restricted by their donors.

The Scholarship Fund was established to award financial and merit scholarship to dependents of Foreign Service employees. The Scholarship Fund's major sources of revenue are contributions and investment income. The Scholarship Fund is doing business as Foreign Service Youth Scholarship — AFSA.

The Fund was established to award individuals for their achievements in the Foreign Service, to enhance the professional development of the Foreign Service, and to increase the public understanding of the Foreign Service. The latter objectives are achieved by sponsoring a speaker series, lecture series, and other educational forums that focus on topical issues related to the Foreign Affairs Community. The Fund's major sources of revenue are contributions, registration fees, book sales, and investment income. The Fund is doing business as Diplomacy Matters — AFSA.

The PAC was created in 2002 to further AFSA's goal of making the U.S. Foreign Service a more effective agent of United States international leadership. The PAC does this by helping to re-elect Senators and Representatives who support a strong, effective Foreign Service.

The organizations are collectively referred to as the Association.

Program and Supporting Services

The following provides a description of the program and supporting services operated by the Association:

Journal

Writing, editing, design, artwork, printing, postage, and promotion of the *Foreign Service Journal*.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services (Continued)

Labor Relations

All activities related to the Association's role as a labor union including collective bargaining, informal negotiations, and individual legal and grievance counseling.

Membership Services

Regular communications with members and provision of services as requested.

Retirees

Provide resources to retired members and counsel active members in preparation for retirement.

Public Affairs

Promotion of the Association, its activities, and views through the media.

Foreign Professional Services Policy Issues

Governmental policy issues impacting members.

Congressional Affairs

Representing the Association's views on legislation impacting the foreign affairs agencies and individual active duty and retired Foreign Service employees.

Public Education and Outreach

Programs and activities designated to educate the American public on the role of the Foreign Service. Programs include a speaker's bureau, the Coalition for American Leadership Abroad, and a minority intern program. AFSA's speaker's bureau consists of retired Foreign Service personnel speaking to groups of students and adults around the country on foreign affairs and the importance of the Foreign Service.

Professional Awards

Programs that honor and support members of the Foreign Service as a profession including the AFSA awards program, the Memorial Plaque, Foreign Affairs Day, and various special events.

Essay Contest

The Foreign Service National High School Essay contest began as a program of the 75th Anniversary celebration and has been continued by the Association due to its success. The contest is open to U.S. students in grades 9 through 12 and includes cash prizes for the 1st, 2nd, and 3rd place essays.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services (Continued)

Scholarships

Financial aid and merit scholarships awarded to dependents of Foreign Service employees and the administration of this program.

Political Action Committee

Represents the Association's contributions to political candidates through PAC and related internal PAC costs.

Management and General

Overall management and administration of the Association.

Member Support

All recruitment and retention programs for the Association's members including mailings, recruitment lunches, and maintenance of the membership database.

Board and President

The Association's Governing Board and Executive Committee's expense including meetings, travel, and staff support.

Fundraising

Fundraising relates to the Scholarship Fund and the Fund's appeals for support of its programs.

Election

Administration of the election and distribution of ballots for the election of the Association's Governing Board. Board elections are held every two years.

Principles of Consolidation

These financial statements consolidate the accounts of AFSA, the Scholarship Fund, the Fund, and PAC. Significant intercompany accounts and transactions have been eliminated in consolidation.

Income Taxes

Under the applicable provision of the Federal and District of Columbia tax regulations, the Association is exempt from taxes on income other than unrelated business income. AFSA is exempt under Section 501(c)(5) of the Internal Revenue Code (IRC), whereas the Fund and the Scholarship Fund are exempt under Section 501(c)(3) of the IRC. The Fund is not considered a private foundation by the Internal Revenue Service (IRS) because it is an organization that is described in Section 509(a)(3). The Scholarship Fund is not considered a private foundation by the IRS because it is an organization that is described in Section 509(a)(1). The PAC is exempt under Section 527 of the IRC. Section 527 does not exempt taxation of investment income.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

AFSA had approximately \$127,000 and \$449,000 in unrelated business income (UBI) from advertising and other activities for the years ended December 31, 2021 and 2020, respectively. Net UBI equaled approximately \$78,000 and \$11,000 for the years ended December 31, 2021 and 2020, respectively. AFSA is subject to federal and state taxes on any net unrelated business income. The Scholarship Fund and the Fund did not have any unrelated business income in 2021 and 2020. The PAC did not have any taxable income in 2021 and 2020.

The Association adopted the income tax standard regarding the recognition and measurement of uncertain tax positions. The Association evaluated its tax positions and determined that its positions are more likely than not to be sustained on examination.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of consolidated assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Cash and Cash Equivalents

For consolidated financial statement purposes, the Association considers all highly liquid instruments that are to be used for current operations and which have an original maturity of three months or less to be cash and cash equivalents with the exception of money market funds that are classified as short-term investments.

Accounts Receivable

The receivables are stated at their net realizable value. Accounts receivable consist primarily of advertising receivables and allotment of dues receivable. Accounts past due are individually analyzed for collectibility. When all collection efforts are exhausted, the account is written off against the allowance for doubtful accounts. Management estimates that all receivables are fully collectible with the exception of the amount that is included in the allowance for doubtful accounts.

Inventory

Inventory consists of costs incurred for the production of the book *Inside a U.S. Embassy* and the AFSA Memorial Marker for Foreign Service personnel and is stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is recorded at cost, or if donated, such assets are capitalized at the estimated fair market value at the date of receipt. The Association capitalizes all expenditures for property and equipment over \$2,000. Depreciation is computed using the straight-line basis over the useful lives of 15 to 30 years for building and building improvements, 5 to 10 years for furniture and equipment, and 3 years for software.

Impairment of Long-Lived Assets

The Association reviews long-lived asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, by a charge to the consolidated statements of activities, to its current fair value. There were no such impairments for the years ended December 31, 2021 and 2020.

Deferred Revenue

Deferred revenue consists of annual member dues and international associate dues received in advance, and life membership dues. Member dues received in advance are deferred when received and are recognized as revenue over the related membership period. Lifetime membership dues are recognized over 30 years, which approximates the benefit period. Deferred revenue also includes payments for magazine advertisements that have not yet been printed.

Net Assets

Net Assets Without Donor Restrictions

Consists of funds that are currently available to support the Association's daily operations and are not subject to donor restrictions.

Net Assets With Donor Restrictions

The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. The Scholarship Fund considers all contributions to be donor restricted for use in the Scholarship program with the exception of contributions that are to be held in perpetuity. Net assets with donor restrictions become net assets without donor restrictions the funds are used for their restricted purpose and are reported in the statements of activities as net assets released from restrictions.

Net Assets With Donor Restrictions – Perpetuity

Represents contributions to be held in perpetuity. Consists principally of the Scholarship Fund's beneficial interest in perpetual trusts and donor-imposed funds received whereby the funds are to be held in perpetuity. The investment earnings on the net assets with donor restrictions – perpetuity are reflected in the statements of activities as components of net assets with donor restrictions and released from restrictions as those restrictions are fulfilled.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Member dues include multiple performance obligations such as legislative representation, access to member-only information on the website, AFSA Magazine and e-Newsletters, education support and professional development, insurance options, health and family support, shopping and travel discounts. These benefits are considered a bundle of benefits such that revenue recognition ratably over the anniversary basis of the member year reasonably reflects the timing of the delivery of the good and services to the member. Unearned membership revenue is reflected as deferred revenue on the consolidated statements of financial position.

Advertising sales and registration fees are recognized at the time the ad or event takes place.

The Association recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions and grants received without donor restrictions and with donor restrictions are recorded as revenue in the year notification is received from the donor. Contributions and grants with donor restrictions are recognized as without donor restrictions only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as net assets with donor restriction in the accompanying financial statements.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Most expenses are directly charged, however there is an overhead pool that includes depreciation and amortization, insurance, software hosting, real estate taxes, and office expenses that is used for expenses that cannot be directly charged. These expenses are then allocated out to the departments based on the departments' direct expenses as a percentage of total expenses. The only exceptions are that the Fund is charged a flat five percent overhead percentage on certain expenses and that the Scholarship Fund is charged a flat three percent overhead percentage based on management's estimates.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

Fair Value Measurements

Fair value measurement of investments is determined using a framework for measuring fair value, establishing a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. The Association accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. The Association accounts for certain financial assets and liabilities at fair value under various accounting literature.

Fair Value Hierarchy

The Association has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the consolidated statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Association has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include among others, quoted prices for similar assets or liabilities in active markets or nonactive markets.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Subsequent Events

In preparing these consolidated financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through August 17, 2022, the date the consolidated financial statements were available to be issued.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liquidity

As part of the Association's liquidity management, it invests cash in excess of daily requirements in short-term investments. Some assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statement of financial position date.

The Association's financial assets available within one year of the consolidated statements of financial position date for general expenditures are as follows:

	2021	2020
Cash and Cash Equivalents	\$ 961,596	\$ 901,845
Short-Term Investments	545,918	232,540
Long-Term Investments	17,521,917	16,127,676
Beneficial Interest in Perpetual Trusts	1,149,831	1,050,713
Accounts Receivable, Net	176,139	137,939
Less: With Donor Restrictions Net Assets:		
Purpose	(12,933,033)	(11,825,632)
Perpetuity	(1,318,384)	(1,219,266)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 6,103,984	\$ 5,405,815

Reclassifications

Certain items in the prior year consolidated financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on the overall net assets of the Association.

Advertising Expenses

The Association expenses advertising costs as incurred. Total advertising expense was \$457,774 and \$385,316, for the years ended December 31, 2021 and 2020, respectively.

NOTE 2 CONCENTRATIONS OF RISK

Credit Risk

Financial instruments that subject the Association to a concentration of credit risk consist of demand deposits placed with financial institutions which may, at times, exceed federally insured limits.

Market Value Risk

The Association invests in a variety of investments. These investments are exposed to various risks, such as fluctuations in market value and credit risk. It is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the accompanying consolidated financial statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 2 CONCENTRATIONS OF RISK (CONTINUED)

Concentrations

Approximately 59% and 32% of total contributions were received from one donor during the years ended December 31, 2021 and 2020, respectively.

Membership dues represent approximately 57% and 58% of total revenue for the years ended December 31, 2021 and 2020, respectively.

NOTE 3 SHORT-TERM INVESTMENTS AND INVESTMENTS

Short-term investments and investments at fair value consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Money Market Funds	\$ 545,920	\$ 232,541
Equity Securities	5,003,821	3,982,809
Mutual Funds - Fixed Income	3,909,709	3,800,967
Mutual Funds - Equity	8,608,385	8,343,899
Total	<u>\$ 18,067,835</u>	<u>\$ 16,360,216</u>

Short-term investments and investments are presented on the accompanying consolidated statements of financial position at December 31 as follows:

	<u>2021</u>	<u>2020</u>
Short-Term Investments	\$ 545,918	\$ 232,540
Investments	17,521,917	16,127,676
Total	<u>\$ 18,067,835</u>	<u>\$ 16,360,216</u>

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 4 FAIR VALUE HIERARCHY

The following table presents the Association's fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31:

	2021			Total
	Level 1	Level 2	Level 3	
Money Market Funds	\$ 545,920	\$ -	\$ -	\$ 545,920
Equity Securities	5,003,821	-	-	5,003,821
Mutual Funds - Fixed Income	3,909,709	-	-	3,909,709
Mutual Funds - Equity	8,608,385	-	-	8,608,385
Deferred Compensation Plan				
Investments - Mutual Funds - Equity	686,094	-	-	686,094
Beneficial Interest in Perpetual Trusts	1,149,831	-	-	1,149,831
Total	<u>\$ 19,903,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,903,760</u>

	2020			Total
	Level 1	Level 2	Level 3	
Money Market Funds	\$ 232,541	\$ -	\$ -	\$ 232,541
Equity Securities	3,982,809	-	-	3,982,809
Mutual Funds - Fixed Income	3,800,967	-	-	3,800,967
Mutual Funds - Equity	8,343,899	-	-	8,343,899
Deferred Compensation Plan				-
Investments - Mutual Funds - Equity	579,468	-	-	579,468
Beneficial Interest in Perpetual Trusts	1,050,713	-	-	1,050,713
Total	<u>\$ 17,990,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,990,397</u>

NOTE 5 BENEFICIAL INTERESTS IN PERPETUAL TRUSTS

The Scholarship Fund has received an interest in two irrevocable perpetual trusts. The principal is to be maintained in perpetuity. Distributions from the trustees are to be used to provide scholarships. The beneficial interest is reported at the fair value of the investments of the trust as reported by the trustees. The Scholarship Fund does not act as trustee, and therefore does not have control over the related assets. As such, the beneficial interest is not subject to the Uniform Prudent Management of Institutional Funds Act. Accordingly, the beneficial interest is not included in Note 9.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 222,854	\$ 222,854
Building and Building Improvements	3,158,765	3,131,927
Furniture and Equipment	673,415	654,976
Software	556,728	533,531
Total	<u>4,611,762</u>	<u>4,543,288</u>
Less: Accumulated Depreciation	<u>(2,860,300)</u>	<u>(2,716,558)</u>
Total	<u><u>\$ 1,751,462</u></u>	<u><u>\$ 1,826,730</u></u>

NOTE 7 CAPITAL LEASE OBLIGATION

The Association entered into a 60-month capital lease totaling \$19,239 for a copier lease under a long-term lease agreement placed in service in March 2019. As of December 31, 2021 and 2020, accumulated depreciation totaled \$10,902 and \$7,054, respectively. The future minimum commitment as of December 31 is as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 4,308
2023	4,308
2024	<u>718</u>
Total Minimum Lease Payments	9,334
Less: Amount Representing Interest	<u>460</u>
Present Value of Minimum Lease Payments	<u><u>\$ 8,874</u></u>

NOTE 8 CONTRACT ASSETS AND CONTRACT LIABILITIES

The beginning and ending contract balances as of December 31 were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Deferred Revenue	\$ 434,466	\$ 462,015	\$ 474,283
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$14,000 and \$11,000, Respectively	176,139	137,939	245,112

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the unexpended portion of contributions made to AFSA's Legal Defense Fund, the Scholarship Fund, the Fund, and the PAC. These contributions are purpose-restricted by the contributor and are as follows:

	AFSA Legal Defense Fund	Fund	Scholarship Fund	PAC	Total
Net Assets - December 31, 2019	\$ 490,324	\$ 20,000	\$ 10,576,701	\$ 15,830	\$ 11,102,855
2020 Revenue	151,842	-	1,368,826	15,185	1,535,853
Less: 2020 Satisfaction of Program Restrictions	<u>(323,279)</u>	<u>-</u>	<u>(461,785)</u>	<u>(28,012)</u>	<u>(813,076)</u>
Net Assets - December 31, 2020	318,887	20,000	11,483,742	3,003	11,825,632
2021 Revenue	16,611	-	1,639,701	7,190	1,663,502
Less: 2021 Satisfaction of Program Restrictions	<u>(17,401)</u>	<u>-</u>	<u>(538,484)</u>	<u>(216)</u>	<u>(556,101)</u>
Net Assets - December 31, 2021	<u>\$ 318,097</u>	<u>\$ 20,000</u>	<u>\$ 12,584,959</u>	<u>\$ 9,977</u>	<u>\$ 12,933,033</u>

NOTE 10 ENDOWMENT

The Scholarship Fund's endowment includes donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Scholarship Fund's Governing Board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Scholarship Fund classifies as net assets with donor restrictions – perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions – perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Scholarship Fund in a manner consistent with the standard of prudence prescribed by UPMIFA.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 10 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

In accordance with UPMIFA, the Scholarship Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Scholarship Fund and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Scholarship Fund
- (7) The investment policies of the Scholarship Fund

The Scholarship Fund's endowment investment policy objectives are to protect principal, earn a return, satisfy the payout requirement, and provide growth. The following is a summary of endowment funds subject to UPMIFA for the years ended December 31, 2021 and 2020:

	Without Donor Restrictions	With Donor Restrictions - Purpose	With Donor Restrictions - Perpetuity	Total
Endowment Net Assets, December 31, 2019	\$ -	\$ 67,037	\$ 168,553	\$ 235,590
Earnings:				
Investment Income	-	12,574	-	12,574
Endowment Net Assets, December 31, 2020	-	79,611	168,553	248,164
Earnings:				
Investment Income	-	41,493	-	41,493
Reclassification from With Donor Restrictions Revenue and Gains to With Donor Restriction - Endowment, Purpose Restricted	-	58,977	-	58,977
Endowment Net Assets, December 31, 2021	<u>\$ -</u>	<u>\$ 180,081</u>	<u>\$ 168,553</u>	<u>\$ 348,634</u>
Endowment Net Assets, December 31, 2021			\$ 168,553	
Beneficial Interest in Perpetual Trusts, December 31, 2021			<u>1,149,831</u>	
Net Assets With Donor Restrictions - Perpetuity December 31, 2021			<u>\$ 1,318,384</u>	

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Scholarship Fund to retain as a fund of perpetual duration. The Scholarship Fund did not have any funds with deficiencies as of December 31, 2021 and 2020.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 11 EMPLOYEE RETIREMENT PLAN

The Association has a voluntary contribution plan which qualifies under Section 401(k) of the IRC and covers substantially all employees. The plan allows eligible employees to contribute a percentage of their compensation, with the Association matching 100% of the employees' contributions not to exceed 5% of employees' compensation. The Association made matching contributions of \$135,131 and \$125,610 for the years ended December 31, 2021 and 2020, respectively.

NOTE 12 DEFERRED COMPENSATION PLAN

The Association offers a deferred compensation plan that is created in accordance with Section 457(b) of the IRC. The plan permits the participant to defer, on a pretax basis, a portion of their compensation for future years. The assets and liability associated with the plan are included as deferred compensation plan in the accompanying consolidated statements of financial position.

NOTE 13 COMMITMENTS AND CONTINGENCIES

Severance Pay

Where termination is due to a reduction in force or reorganization, the Association is obligated for severance payments to employees who have completed the 180-day and 90-day probationary period, for December 31, 2021 and 2020, respectively, calculated based on years of service.

Scholarships

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are recognized when the conditions on which they depend have been met. The Association recognizes scholarship expenses when conditions are met by the recipients of the scholarship awards. The Association had \$117,500 in conditional scholarships awarded to grantees for which the conditions had not been met as of December 31, 2021, which are recorded as prepaid expenses on the Consolidated Statement of Financial Position.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Governing Board
American Foreign Service Association
and Related Organizations
Washington, DC

We have audited the consolidated financial statements of American Foreign Service Association and Related Organizations as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated August 17, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

Greenbelt, Maryland
August 17, 2022

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

ASSETS	AFSA	Fund	Scholarship Fund	PAC	Eliminations	Consolidated Total
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 193,728	\$ -	\$ 756,626	\$ 11,242	\$ -	\$ 961,596
Short-Term Investments	464,139	65,664	16,115	-	-	545,918
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$14,000	172,482	3,647	10	-	-	176,139
Prepaid Expenses	60,065	-	117,500	-	-	177,565
Interfund Receivable	689,214	-	-	-	(689,214)	-
Inventory	4,551	5,012	-	-	-	9,563
Total Current Assets	<u>1,584,179</u>	<u>74,323</u>	<u>890,251</u>	<u>11,242</u>	<u>(689,214)</u>	<u>1,870,781</u>
NONCURRENT ASSETS						
Investments	4,303,130	1,146,542	12,072,245	-	-	17,521,917
Beneficial Interest in Perpetual Trusts	-	-	1,149,831	-	-	1,149,831
Property and Equipment, Net of Accumulated Depreciation and Amortization	1,751,462	-	-	-	-	1,751,462
Deferred Compensation Plan Investments	686,094	-	-	-	-	686,094
Total Noncurrent Assets	<u>6,740,686</u>	<u>1,146,542</u>	<u>13,222,076</u>	<u>-</u>	<u>-</u>	<u>21,109,304</u>
Total Assets	<u>\$ 8,324,865</u>	<u>\$ 1,220,865</u>	<u>\$ 14,112,327</u>	<u>\$ 11,242</u>	<u>\$ (689,214)</u>	<u>\$ 22,980,085</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable	\$ 26,981	\$ -	\$ -	\$ 45	\$ -	\$ 27,026
Accrued Expenses	388,245	6,554	9,600	-	-	404,399
Capital Lease Payable, Current Portion	3,988	-	-	-	-	3,988
Deferred Revenue	427,274	7,192	-	-	-	434,466
Interfund Payable	-	488,610	199,384	1,220	(689,214)	-
Total Current Liabilities	<u>846,488</u>	<u>502,356</u>	<u>208,984</u>	<u>1,265</u>	<u>(689,214)</u>	<u>869,879</u>
NONCURRENT LIABILITIES						
Capital Lease Payable	4,886	-	-	-	-	4,886
Deferred Compensation Plan Obligations	686,094	-	-	-	-	686,094
Total Noncurrent Liabilities	<u>690,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>690,980</u>
Total Liabilities	1,537,468	502,356	208,984	1,265	(689,214)	1,560,859
NET ASSETS						
Without Donor Restrictions	6,469,300	698,509	-	-	-	7,167,809
With Donor Restrictions:						
Purpose	318,097	20,000	12,584,959	9,977	-	12,933,033
Perpetuity	-	-	1,318,384	-	-	1,318,384
Total With Donor Restrictions	<u>318,097</u>	<u>20,000</u>	<u>13,903,343</u>	<u>9,977</u>	<u>-</u>	<u>14,251,417</u>
Total Net Assets	<u>6,787,397</u>	<u>718,509</u>	<u>13,903,343</u>	<u>9,977</u>	<u>-</u>	<u>21,419,226</u>
Total Liabilities and Net Assets	<u>\$ 8,324,865</u>	<u>\$ 1,220,865</u>	<u>\$ 14,112,327</u>	<u>\$ 11,242</u>	<u>\$ (689,214)</u>	<u>\$ 22,980,085</u>

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

ASSETS	AFSA	Fund	Scholarship Fund	PAC	Eliminations	Consolidated Total
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 268,828	\$ -	\$ 629,003	\$ 4,014	\$ -	\$ 901,845
Short-Term Investments	145,708	71,478	15,354	-	-	232,540
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$11,000	126,018	11,911	10	-	-	137,939
Prepaid Expenses	93,698	-	106,730	-	-	200,428
Interfund Receivable	427,275	-	-	-	(427,275)	-
Inventory	5,455	3,917	-	-	-	9,372
Total Current Assets	<u>1,066,982</u>	<u>87,306</u>	<u>751,097</u>	<u>4,014</u>	<u>(427,275)</u>	<u>1,482,124</u>
NONCURRENT ASSETS						
Investments	4,107,404	996,229	11,024,043	-	-	16,127,676
Beneficial Interest in Perpetual Trusts	-	-	1,050,713	-	-	1,050,713
Property and Equipment, Net of Accumulated Depreciation and Amortization	1,826,730	-	-	-	-	1,826,730
Deferred Compensation Plan Investments	579,468	-	-	-	-	579,468
Total Noncurrent Assets	<u>6,513,602</u>	<u>996,229</u>	<u>12,074,756</u>	<u>-</u>	<u>-</u>	<u>19,584,587</u>
Total Assets	<u>\$ 7,580,584</u>	<u>\$ 1,083,535</u>	<u>\$ 12,825,853</u>	<u>\$ 4,014</u>	<u>\$ (427,275)</u>	<u>\$ 21,066,711</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable	\$ 17,582	\$ -	\$ -	\$ 44	\$ -	\$ 17,626
Accrued Expenses	332,541	5,896	8,542	-	-	346,979
Capital Lease Payable, Current Portion	3,811	-	-	-	-	3,811
Deferred Revenue	454,823	7,192	-	-	-	462,015
Interfund Payable	-	312,005	114,303	967	(427,275)	-
Total Current Liabilities	<u>808,757</u>	<u>325,093</u>	<u>122,845</u>	<u>1,011</u>	<u>(427,275)</u>	<u>830,431</u>
NONCURRENT LIABILITIES						
Capital Lease Payable	8,868	-	-	-	-	8,868
Deferred Compensation Plan Obligations	579,468	-	-	-	-	579,468
Total Noncurrent Liabilities	<u>588,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>588,336</u>
Total Liabilities	1,397,093	325,093	122,845	1,011	(427,275)	1,418,767
NET ASSETS						
Without Donor Restrictions	5,864,604	738,442	-	-	-	6,603,046
With Donor Restrictions:						
Purpose	318,887	20,000	11,483,742	3,003	-	11,825,632
Perpetuity	-	-	1,219,266	-	-	1,219,266
Total With Donor Restrictions	<u>318,887</u>	<u>20,000</u>	<u>12,703,008</u>	<u>3,003</u>	<u>-</u>	<u>13,044,898</u>
Total Net Assets	<u>6,183,491</u>	<u>758,442</u>	<u>12,703,008</u>	<u>3,003</u>	<u>-</u>	<u>19,647,944</u>
Total Liabilities and Net Assets	<u>\$ 7,580,584</u>	<u>\$ 1,083,535</u>	<u>\$ 12,825,853</u>	<u>\$ 4,014</u>	<u>\$ (427,275)</u>	<u>\$ 21,066,711</u>

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	AFSA	Fund	Scholarship Fund	PAC	Eliminations	Total
WITHOUT DONOR RESTRICTIONS REVENUE, GAINS, AND OTHER SUPPORT						
Member Dues	\$ 4,435,287	\$ -	\$ -	\$ -	\$ -	\$ 4,435,287
Advertising Sales, Net of Discounts of \$50,270	584,746	-	-	-	-	584,746
Contributions	26,025	184,221	-	-	-	210,246
Dividends and Interest, Net of Fees of \$111,469	91,717	35,290	-	-	-	127,007
Book Sales	-	32,051	-	-	-	32,051
Other	1,927	44,945	-	-	-	46,872
Subscriptions	5,803	-	-	-	-	5,803
Net Realized and Unrealized Gains on Investments	423,856	109,208	-	-	-	533,064
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	17,401	-	538,484	216	-	556,101
Total Without Donor Restrictions Revenue, Gains, and Other Support	5,586,762	405,715	538,484	216	-	6,531,177
EXPENSES						
Program Services:						
Journal	1,188,264	-	-	-	-	1,188,264
Labor Relations	1,514,378	-	-	-	-	1,514,378
Membership Services	191,866	-	-	-	-	191,866
Retirees	221,193	-	-	-	-	221,193
Public Affairs	236,731	-	-	-	-	236,731
Foreign Professional Services Policy Issues	160,858	-	-	-	-	160,858
Congressional Affairs	240,270	-	-	-	-	240,270
Public Education and Outreach	-	241,352	-	-	-	241,352
Professional Awards	-	84,491	-	-	-	84,491
Essay Contest	-	65,213	-	-	-	65,213
Scholarships	-	-	441,670	-	-	441,670
Political Action Committee	-	-	-	216	-	216
Total Program Services	3,753,560	391,056	441,670	216	-	4,586,502
Supporting Services:						
Management and General	904,775	52,270	96,814	-	-	1,053,859
Member Support	53,430	-	-	-	-	53,430
Board and President	233,319	-	-	-	-	233,319
Fundraising	-	2,322	-	-	-	2,322
Election	36,982	-	-	-	-	36,982
Total Supporting Services	1,228,506	54,592	96,814	-	-	1,379,912
Total Expenses	4,982,066	445,648	538,484	216	-	5,966,414
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	604,696	(39,933)	-	-	-	564,763
WITH DONOR RESTRICTIONS REVENUE AND GAINS						
Contributions	16,611	-	87,116	7,180	-	110,907
Dividends and Interest, Net of Fees	-	-	253,254	10	-	253,264
Net Realized and Unrealized Gains on Investments	-	-	1,299,331	-	-	1,299,331
Change in Beneficial Interest in Perpetual Trusts	-	-	99,118	-	-	99,118
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	(17,401)	-	(538,484)	(216)	-	(556,101)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(790)	-	1,200,335	6,974	-	1,206,519
CHANGE IN NET ASSETS	603,906	(39,933)	1,200,335	6,974	-	1,771,282
Net Assets - Beginning of Year	6,183,491	758,442	12,703,008	3,003	-	19,647,944
NET ASSETS - END OF YEAR	<u>\$ 6,787,397</u>	<u>\$ 718,509</u>	<u>\$ 13,903,343</u>	<u>\$ 9,977</u>	<u>\$ -</u>	<u>\$ 21,419,226</u>

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	AFSA	Fund	Scholarship Fund	PAC	Eliminations	Total
WITHOUT DONOR RESTRICTIONS REVENUE, GAINS, AND OTHER SUPPORT						
Member Dues	\$ 4,157,973	\$ -	\$ -	\$ -	\$ -	\$ 4,157,973
Advertising Sales, Net of Discounts of \$61,191	449,490	-	-	-	-	449,490
Contributions	-	211,865	-	-	-	211,865
Dividends and Interest, Net of Fees of \$96,040	88,370	26,501	-	-	-	114,871
Book Sales	-	26,400	-	-	-	26,400
Other	15,198	36,268	-	-	-	51,466
Subscriptions	7,058	-	-	-	-	7,058
Net Realized and Unrealized Gains on Investments	411,332	85,215	-	-	-	496,547
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	323,279	-	461,785	28,012	-	813,076
Total Without Donor Restrictions Revenue, Gains, and Other Support	5,452,700	386,249	461,785	28,012	-	6,328,746
EXPENSES						
Program Services:						
Journal	1,107,536	-	-	-	-	1,107,536
Labor Relations	1,773,057	-	-	-	-	1,773,057
Membership Services	133,680	-	-	-	-	133,680
Retirees	222,603	-	-	-	-	222,603
Public Affairs	194,590	-	-	-	-	194,590
Foreign Professional Services Policy Issues	155,274	-	-	-	-	155,274
Congressional Affairs	256,340	-	-	-	-	256,340
Public Education and Outreach	-	151,360	-	-	-	151,360
Professional Awards	-	72,501	-	-	-	72,501
Essay Contest	-	59,647	-	-	-	59,647
Scholarships	-	-	375,460	-	-	375,460
Political Action Committee	-	-	-	28,012	-	28,012
Total Program Services	3,843,080	283,508	375,460	28,012	-	4,530,060
Supporting Services:						
Management and General	812,715	34,123	86,325	-	-	933,163
Member Support	39,428	-	-	-	-	39,428
Board and President	268,497	-	-	-	-	268,497
Fundraising	-	1,376	-	-	-	1,376
Election	11,444	-	-	-	-	11,444
Total Supporting Services	1,132,084	35,499	86,325	-	-	1,253,908
Total Expenses	4,975,164	319,007	461,785	28,012	-	5,783,968
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	477,536	67,242	-	-	-	544,778
WITH DONOR RESTRICTIONS REVENUE AND GAINS						
Contributions	151,842	-	62,674	15,172	-	229,688
Dividends and Interest, Net of Fees	-	-	233,256	13	-	233,269
Net Realized and Unrealized Gains on Investments	-	-	1,072,896	-	-	1,072,896
Change in Beneficial Interest in Perpetual Trusts	-	-	147,445	-	-	147,445
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	(323,279)	-	(461,785)	(28,012)	-	(813,076)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(171,437)	-	1,054,486	(12,827)	-	870,222
CHANGE IN NET ASSETS	306,099	67,242	1,054,486	(12,827)	-	1,415,000
Net Assets - Beginning of Year	5,877,392	691,200	11,648,522	15,830	-	18,232,944
NET ASSETS - END OF YEAR	<u>\$ 6,183,491</u>	<u>\$ 758,442</u>	<u>\$ 12,703,008</u>	<u>\$ 3,003</u>	<u>\$ -</u>	<u>\$ 19,647,944</u>