

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2012 AND 2011

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	2
CONSOLIDATED STATEMENTS OF ACTIVITIES	3
CONSOLIDATED STATEMENTS OF CASH FLOWS	4
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	5
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION	16
SUPPLEMENTARY INFORMATION	
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION	17
CONSOLIDATING STATEMENT OF ACTIVITIES - 2012	19
CONSOLIDATING STATEMENT OF ACTIVITIES - 2011	21



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the American Foreign Service Association and Related Organizations (the "Association"), which comprise the consolidated statements of financial position as of December 31, 2012 and 2011, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2012 and 2011, and the consolidated changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

Arlington, Virginia
August 30, 2013

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011**

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 530,144	\$ 474,529
Short-Term Investments	175,188	226,365
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$10,000 at December 31, 2012 and 2011	277,755	309,310
Prepaid Expenses	132,764	101,604
Inventory	13,766	37,536
Total Current Assets	1,129,617	1,149,344
NON-CURRENT ASSETS		
Investments	8,013,265	6,615,604
Beneficial Interest in Perpetual Trusts	520,071	473,153
Property and Equipment, Net of Accumulated Depreciation	2,596,594	2,695,232
Deferred Compensation Plan Investments	185,127	147,265
Total Non-current Assets	11,315,057	9,931,254
Total Assets	\$ 12,444,674	\$ 11,080,598
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 52,180	\$ 49,867
Accrued Expenses	241,059	223,302
Capital Lease Payable, Current Portion	3,501	3,303
Deferred Revenue	530,120	554,655
Deferred Lifetime Dues	7,392	11,146
Total Current Liabilities	834,252	842,273
NON-CURRENT LIABILITIES		
Capital Lease Payable	9,715	1,795
Deferred Lifetime Dues	3,308	10,700
Deferred Compensation Plan Obligations	185,127	147,265
Total Non-current Liabilities	198,150	159,760
Total Liabilities	1,032,402	1,002,033
NET ASSETS		
Unrestricted	5,214,531	4,451,474
Temporarily Restricted	5,577,670	5,153,938
Permanently Restricted	620,071	473,153
Total Net Assets	11,412,272	10,078,565
Total Liabilities and Net Assets	\$ 12,444,674	\$ 11,080,598

See accompanying Notes to the Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012				2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS, AND OTHER SUPPORT								
Member Dues	\$ 3,372,470	\$ -	\$ -	\$ 3,372,470	\$ 3,173,451	\$ -	\$ -	\$ 3,173,451
Advertising Sales, Net of Discounts	551,819	-	-	551,819	523,809	-	-	523,809
Contributions	102,818	169,157	100,000	371,975	77,937	189,827	-	267,764
Dividends and Interest	124,807	166,161	-	290,968	69,233	111,575	-	180,808
Registration Fees	11,188	-	-	11,188	124,901	-	-	124,901
Book Sales	96,957	-	-	96,957	117,603	-	-	117,603
Other	47,196	-	-	47,196	30,584	-	-	30,584
Subscriptions	12,734	-	-	12,734	11,769	-	-	11,769
Change in Beneficial Interest in Perpetual Trusts	-	-	46,918	46,918	-	-	(9,862)	(9,862)
Net Realized and Unrealized Gain (Loss) on Investments	324,965	563,339	-	888,304	(239,981)	(509,207)	-	(749,188)
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	474,925	(474,925)	-	-	464,199	(464,199)	-	-
Total Revenue, Gains, and Other Support	<u>5,119,879</u>	<u>423,732</u>	<u>146,918</u>	<u>5,690,529</u>	<u>4,353,505</u>	<u>(672,004)</u>	<u>(9,862)</u>	<u>3,671,639</u>
EXPENSES								
Program Services:								
Journal	1,021,250	-	-	1,021,250	956,939	-	-	956,939
Labor Relations	1,011,773	-	-	1,011,773	969,898	-	-	969,898
Scholarships	423,304	-	-	423,304	381,283	-	-	381,283
Congressional Affairs	172,491	-	-	172,491	187,007	-	-	187,007
Public Education and Outreach	262,073	-	-	262,073	328,098	-	-	328,098
Road Scholar	18,086	-	-	18,086	142,952	-	-	142,952
Membership Services	92,940	-	-	92,940	118,347	-	-	118,347
Retirees	192,669	-	-	192,669	102,613	-	-	102,613
Professional Issues	66,225	-	-	66,225	73,123	-	-	73,123
Political Action Committee	9,665	-	-	9,665	26,982	-	-	26,982
Public Affairs	71,645	-	-	71,645	69,711	-	-	69,711
Essay Contest	44,547	-	-	44,547	12,378	-	-	12,378
Total Program Services	<u>3,386,668</u>	<u>-</u>	<u>-</u>	<u>3,386,668</u>	<u>3,369,331</u>	<u>-</u>	<u>-</u>	<u>3,369,331</u>
Supporting Services:								
Management and General	581,623	-	-	581,623	608,148	-	-	608,148
Member Support	244,678	-	-	244,678	284,391	-	-	284,391
Board and President	115,598	-	-	115,598	85,509	-	-	85,509
Fundraising	12,951	-	-	12,951	20,934	-	-	20,934
Election	15,304	-	-	15,304	51,423	-	-	51,423
Total Supporting Services	<u>970,154</u>	<u>-</u>	<u>-</u>	<u>970,154</u>	<u>1,050,405</u>	<u>-</u>	<u>-</u>	<u>1,050,405</u>
Total Expenses	<u>4,356,822</u>	<u>-</u>	<u>-</u>	<u>4,356,822</u>	<u>4,419,736</u>	<u>-</u>	<u>-</u>	<u>4,419,736</u>
CHANGE IN NET ASSETS	763,057	423,732	146,918	1,333,707	(66,231)	(672,004)	(9,862)	(748,097)
Net Assets, Beginning of Year	<u>4,451,474</u>	<u>5,153,938</u>	<u>473,153</u>	<u>10,078,565</u>	<u>4,517,705</u>	<u>5,825,942</u>	<u>483,015</u>	<u>10,826,662</u>
NET ASSETS, END OF YEAR	<u>\$ 5,214,531</u>	<u>\$ 5,577,670</u>	<u>\$ 620,071</u>	<u>\$ 11,412,272</u>	<u>\$ 4,451,474</u>	<u>\$ 5,153,938</u>	<u>\$ 473,153</u>	<u>\$ 10,078,565</u>

See accompanying Notes to the Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,333,707	\$ (748,097)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	207,423	190,546
Net Unrealized and Realized (Gain) Loss on Investments	(888,304)	749,188
Change in Beneficial Interest in Perpetual Trusts	(46,916)	9,862
Changes in Assets and Liabilities:		
Accounts Receivable, Net	31,555	(97,874)
Prepaid Expenses	(31,160)	22,002
Inventory	23,770	57,236
Refundable Deposit	-	11,010
Accounts Payable	2,313	(33,782)
Accrued Expenses	17,757	40,331
Deferred Revenue	(24,535)	(1,558)
Deferred Lifetime Dues	(11,146)	(13,191)
Net Cash Provided by Operating Activities	614,464	185,673
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(3,720,796)	(2,044,690)
Proceeds from Sales of Investments	3,274,105	1,966,156
Purchases of Property and Equipment	(107,784)	(108,956)
Net Cash Used for Investing Activities	(554,475)	(187,490)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease	(4,374)	(2,792)
Net Cash Used for Financing Activities	(4,374)	(2,792)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55,615	(4,609)
Cash and Cash Equivalents - Beginning of Year	474,529	479,138
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 530,144	\$ 474,529
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 2,006	\$ 778
Cash Paid During the Year for Taxes	\$ -	\$ 20,920

See accompanying Notes to the Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

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 reelect 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*.

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.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

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.

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.

Road Scholar

A series of one-week workshops for older Americans sponsored by the Fund as part of the Road Scholar program. The workshops provide an in-depth look at how U.S. foreign policy is made and the role of the Foreign Service. The Fund sponsors four to five one-week sessions (participants range between 40 to 55 each) in the Fall and the Spring.

Membership Services

Regular communications with members and provision of services as requested.

Retirees

Support and communication with the Association's retired membership including the Retiree Directory, Newsletter, Retiree Standing Committee, and counseling for individual members needing assistance with retirement issues.

Professional Issues

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.

Political Action Committee

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

Public Affairs

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

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 nine through twelve and includes cash prizes for the 1st, 2nd and 3rd place essays.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services (Continued)

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, whereas the Fund and the Scholarship Fund are exempt under Section 501(c)(3) of the Internal Revenue Code. The Fund is not considered a private foundation by the Internal Revenue Service because it is an organization that is described in Section 509(a)(3). The Scholarship Fund is not considered a private foundation by the Internal Revenue Service because it is an organization that is described in Section 509(a)(1). The PAC is exempt under Section 527 of the Internal Revenue Code. Section 527 does not exempt taxation of investment income.

AFSA had approximately \$552,000 and \$524,000 in unrelated business income from advertising and other activities for the years ended December 31, 2012 and 2011, 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 2012 and 2011. The PAC did not have any taxable income in 2012 and 2011.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

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. The Association's tax returns for the fiscal years 2009 through 2011 are open to examination by federal and state authorities.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles 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 market. Cost is determined using the first-in-first-out method.

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.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2012 and 2011.

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 and life membership dues are deferred when received and are recognized as revenue over the related membership period. Deferred revenue also includes payments for magazine advertisements that have not yet been printed.

Net Assets

Unrestricted Net Assets

Unrestricted net assets consist of funds that are currently available to support the Association's daily operations. Contributions received without restrictions are also reported as increases in unrestricted net assets.

Temporarily Restricted Net Assets

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 temporarily restricted for use in the Scholarship program with the exception of contributions that are to be held in perpetuity. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets

Permanently restricted net assets consist of assets whose use is limited by donor-imposed restrictions that neither expire by the passage of the time nor can be fulfilled or otherwise removed by action of the Association. The restrictions stipulate that resources be maintained permanently. Permanently restricted net asset consist of the Scholarship Fund's beneficial interest in perpetual trusts and donor-imposed restrictions that the funds are to be held in perpetuity.

Revenue Recognition

Revenue from member dues, advertising sales, and registration fees is recognized in the year in which it is earned. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted revenue in the period promised or received at their fair values.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 non-active 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.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these consolidated financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through August 30, 2013, the date the consolidated financial statements were available to be issued.

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.

NOTE 3 SHORT-TERM INVESTMENTS AND INVESTMENTS

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

	<u>2012</u>	<u>2011</u>
Money Market Funds	\$ 175,188	\$ 226,365
Equity Securities	2,427,661	1,946,509
Mutual Funds - Bonds	1,357,908	973,264
Mutual Funds - Equity	4,227,696	3,485,592
Other Assets	-	210,239
Total	<u>\$ 8,188,453</u>	<u>\$ 6,841,969</u>

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

	<u>2012</u>	<u>2011</u>
Short-Term Investments	\$ 175,188	\$ 226,365
Investments	<u>8,013,265</u>	<u>6,615,604</u>
Total	<u>\$ 8,188,453</u>	<u>\$ 6,841,969</u>

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

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:

	2012			Total
	Level 1	Level 2	Level 3	
Equity Securities	\$ 2,427,661	\$ -	\$ -	\$ 2,427,661
Mutual Funds - Bonds	1,357,908	-	-	1,357,908
Mutual Funds - Equity	4,227,696	-	-	4,227,696
Other Assets	-	-	-	-
Deferred Compensation Plan Investments - Mutual Funds - Equity	185,127	-	-	185,127
Beneficial Interest in Perpetual Trusts	-	-	520,071	520,071
Total	<u>\$ 8,198,392</u>	<u>\$ -</u>	<u>\$ 520,071</u>	<u>\$ 8,718,463</u>

	2011			Total
	Level 1	Level 2	Level 3	
Equity Securities	\$ 1,946,509	\$ -	\$ -	\$ 1,946,509
Mutual Funds - Bonds	973,264	-	-	973,264
Mutual Funds - Equity	3,485,592	-	-	3,485,592
Other Assets	210,239	-	-	210,239
Deferred Compensation Plan Investments - Mutual Funds - Equity	147,265	-	-	147,265
Beneficial Interest in Perpetual Trusts	-	-	473,153	473,153
Total	<u>\$ 6,762,869</u>	<u>\$ -</u>	<u>\$ 473,153</u>	<u>\$ 7,236,022</u>

*Money market funds are recorded at cost which approximates fair value and accordingly are excluded.

The following table provides a summary of changes in fair value of the Association's Level 3 financial assets for the year ended December 31:

	2012	2011
Beginning Balance	\$ 473,153	\$ 483,015
Unrealized Gain (Loss)	46,918	(9,862)
Ending Balance	<u>\$ 520,071</u>	<u>\$ 473,153</u>

The beneficial interest in perpetual trusts valuation was calculated by taking the December 31, 2012 fair value, as reported by third party investment statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

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 Scholarship Fund does not act as a trustee. 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 8.

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2012	2011
Land	\$ 222,854	\$ 222,854
Building and Building Improvements	3,078,163	3,196,170
Furniture and Equipment	494,881	474,797
Software	433,923	363,678
Total	4,229,821	4,257,499
Less: Accumulated Depreciation	(1,633,227)	(1,562,267)
Total	\$ 2,596,594	\$ 2,695,232

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

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

	Legal Defense Fund	Scholarship Fund	Fund	PAC	Total
Net Assets, December 31, 2010	\$ 22,361	\$ 5,725,585	\$ -	\$ 77,996	\$ 5,825,942
2011 Revenue (Loss)	11,700	(267,155)	20,000	27,650	(207,805)
Less: 2011 Satisfaction of Program Restrictions	(6,570)	(430,647)	-	(26,982)	(464,199)
Net Assets, December 31, 2011	27,491	5,027,783	20,000	78,664	5,153,938
2012 Revenue	1,315	894,423	-	2,919	898,657
Less: 2012 Satisfaction of Program Restrictions	-	(465,260)	-	(9,665)	(474,925)
Net Assets, December 31, 2012	\$ 28,806	\$ 5,456,946	\$ 20,000	\$ 71,918	\$ 5,577,670

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 8 ENDOWMENT

The Scholarship Fund's endowment include 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 permanently restricted net assets the original value of the gifts to the permanent endowment and the value of subsequent gifts to the permanent endowment. The remaining portion of donor-restricted endowment funds, if any, that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Scholarship Fund 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 is focused on preservation of capital.

The following is a summary of endowment funds subject to UPMIFA for the year ended December 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, December 31, 2011	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	100,000	100,000
Endowment Net Assets, December 31, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</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, 2012 and 2011.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

NOTE 9 EMPLOYEE RETIREMENT PLAN

The Association has a voluntary contribution plan which qualifies under Section 401(k) of the Internal Revenue Code 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 \$87,420 and \$79,396 for the years ended December 31, 2012 and 2011, respectively.

NOTE 10 COMMITMENT

In December 2012, the Association signed a non-cancellable contract to purchase and implement a new association management software package, which would include a new donor and membership database. The agreement is for 48 months and shall automatically renew for 12 months unless either party gives notice of non-renewal at least 60 days prior to the expiration of the term or any renewal period. The agreement contains monthly service fees of \$6,050 per month. Additionally, the agreement has one time fees of approximately \$240,000 - \$290,000.



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

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, 2012 and 2011, and have issued our report thereon dated August 30, 2013, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of 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

CliftonLarsonAllen LLP

Arlington, Virginia
August 30, 2013

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011
(See Independent Auditors' Report on Supplementary Information)**

	2012					Consolidated Total
	Consolidating Information					
	AFSA	Fund	Scholarship Fund	PAC	Eliminations	
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 371,272	\$ -	\$ 96,053	\$ 62,819	\$ -	\$ 530,144
Short-Term Investments	155,589	8,394	-	11,205	-	175,188
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$10,000 at December 31, 2012 and 2011	256,848	19,597	1,310	-	-	277,755
Prepaid Expenses	32,210	8,000	92,802	(248)	-	132,764
Inventory	5,486	8,280	-	-	-	13,766
Total Current Assets	<u>821,405</u>	<u>44,271</u>	<u>190,165</u>	<u>73,776</u>	<u>-</u>	<u>1,129,617</u>
NON-CURRENT ASSETS						
Note Receivable	-	-	785,359	-	785,359	-
Investments	3,031,241	358,300	4,623,724	-	-	8,013,265
Beneficial Interest in Perpetual Trusts	-	-	520,071	-	-	520,071
Property and Equipment, Net of Accumulated Depreciation	2,596,594	-	-	-	-	2,596,594
Deferred Compensation Plan Investments	185,127	-	-	-	-	185,127
Total Non-current Assets	<u>5,812,962</u>	<u>358,300</u>	<u>5,929,154</u>	<u>-</u>	<u>785,359</u>	<u>11,315,057</u>
Total Assets	<u>\$ 6,634,367</u>	<u>\$ 402,571</u>	<u>\$ 6,119,319</u>	<u>\$ 73,776</u>	<u>\$ 785,359</u>	<u>\$ 12,444,674</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable	\$ 52,180	\$ -	\$ -	\$ -	\$ -	\$ 52,180
Accrued Expenses	213,725	22,023	5,311	-	-	241,059
Capital Lease Payable, Current Portion	3,501	-	-	-	-	3,501
Deferred Revenue	530,120	-	-	-	-	530,120
Deferred Lifetime Dues	7,392	-	-	-	-	7,392
Interfund (Receivable) Payable	(37,570)	(1,279)	36,991	1,858	-	-
Total Current Liabilities	<u>769,348</u>	<u>20,744</u>	<u>42,302</u>	<u>1,858</u>	<u>-</u>	<u>834,252</u>
NON-CURRENT LIABILITIES						
Note Payable and Line of Credit	785,359	-	-	-	785,359	-
Capital Lease Payable	9,715	-	-	-	-	9,715
Deferred Lifetime Dues	3,308	-	-	-	-	3,308
Deferred Compensation Plan Obligations	185,127	-	-	-	-	185,127
Total Non-current Liabilities	<u>983,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>785,359</u>	<u>198,150</u>
Total Liabilities	<u>1,752,857</u>	<u>20,744</u>	<u>42,302</u>	<u>1,858</u>	<u>785,359</u>	<u>1,032,402</u>
NET ASSETS						
Unrestricted	4,852,704	361,827	-	-	-	5,214,531
Temporarily Restricted	28,806	20,000	5,456,946	71,918	-	5,577,670
Permanently Restricted	-	-	620,071	-	-	620,071
Total Net Assets	<u>4,881,510</u>	<u>381,827</u>	<u>6,077,017</u>	<u>71,918</u>	<u>-</u>	<u>11,412,272</u>
Total Liabilities and Net Assets	<u>\$ 6,634,367</u>	<u>\$ 402,571</u>	<u>\$ 6,119,319</u>	<u>\$ 73,776</u>	<u>\$ 785,359</u>	<u>\$ 12,444,674</u>

2011

Consolidating Information					
AFSA	Fund	Scholarship Fund	PAC	Eliminations	Consolidated Total
\$ 56,190	\$ -	\$ 349,127	\$ 69,212	\$ -	\$ 474,529
190,652	24,158	-	11,555	-	226,365
282,211	6,099	21,000	-	-	309,310
16,299	-	85,550	(245)	-	101,604
-	37,536	-	-	-	37,536
<u>545,352</u>	<u>67,793</u>	<u>455,677</u>	<u>80,522</u>	<u>-</u>	<u>1,149,344</u>
-	-	898,548	-	898,548	-
2,568,055	308,060	3,739,489	-	-	6,615,604
-	-	473,153	-	-	473,153
2,695,232	-	-	-	-	2,695,232
147,265	-	-	-	-	147,265
<u>5,410,552</u>	<u>308,060</u>	<u>5,111,190</u>	<u>-</u>	<u>898,548</u>	<u>9,931,254</u>
<u>\$ 5,955,904</u>	<u>\$ 375,853</u>	<u>\$ 5,566,867</u>	<u>\$ 80,522</u>	<u>\$ 898,548</u>	<u>\$ 11,080,598</u>
\$ 49,867	\$ -	\$ -	\$ -	\$ -	\$ 49,867
196,437	20,974	5,891	-	-	223,302
3,303	-	-	-	-	3,303
552,155	2,500	-	-	-	554,655
11,146	-	-	-	-	11,146
(61,898)	-	60,040	1,858	-	-
<u>751,010</u>	<u>23,474</u>	<u>65,931</u>	<u>1,858</u>	<u>-</u>	<u>842,273</u>
898,548	-	-	-	898,548	-
1,795	-	-	-	-	1,795
10,700	-	-	-	-	10,700
147,265	-	-	-	-	147,265
<u>1,058,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>898,548</u>	<u>159,760</u>
1,809,318	23,474	65,931	1,858	898,548	1,002,033
4,119,095	332,379	-	-	-	4,451,474
27,491	20,000	5,027,783	78,664	-	5,153,938
-	-	473,153	-	-	473,153
<u>4,146,586</u>	<u>352,379</u>	<u>5,500,936</u>	<u>78,664</u>	<u>-</u>	<u>10,078,565</u>
<u>\$ 5,955,904</u>	<u>\$ 375,853</u>	<u>\$ 5,566,867</u>	<u>\$ 80,522</u>	<u>\$ 898,548</u>	<u>\$ 11,080,598</u>

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012
(See Independent Auditors' Report on Supplementary Information)**

	Unrestricted				Total Unrestricted
	AFSA	Fund	Scholarship Fund	PAC	
REVENUE, GAINS, AND OTHER SUPPORT					
Member Dues	\$ 3,372,470	\$ -	\$ -	\$ -	\$ 3,372,470
Advertising Sales, Net of Discounts	551,819	-	-	-	551,819
Contributions	36,326	271,875	-	-	308,201
Dividends and Interest	116,336	8,471	-	-	124,807
Registration Fees	-	11,188	-	-	11,188
Book Sales	-	96,957	-	-	96,957
Other	47,196	-	-	-	47,196
Subscriptions	12,734	-	-	-	12,734
Change in Beneficial Interest in Perpetual Trusts	-	-	-	-	-
Net Realized and Unrealized Gain on Investments	287,917	37,048	-	-	324,965
Net Assets Released from Restrictions -					
Satisfaction of Program Restrictions	-	-	465,260	9,665	474,925
Total Revenue, Gains, and Other Support	<u>4,424,798</u>	<u>425,539</u>	<u>465,260</u>	<u>9,665</u>	<u>5,325,262</u>
EXPENSES					
Program Services:					
Journal	1,021,250	-	-	-	1,021,250
Labor Relations	1,011,773	-	-	-	1,011,773
Scholarships	-	-	423,304	-	423,304
Congressional Affairs	172,491	-	-	-	172,491
Public Education and Outreach	-	262,073	-	-	262,073
Road Scholar	-	18,086	-	-	18,086
Membership Services	92,940	-	-	-	92,940
Retirees	192,669	-	-	-	192,669
Professional Issues	-	66,225	-	-	66,225
Political Action Committee	-	-	-	9,665	9,665
Public Affairs	71,645	-	-	-	71,645
Essay Contest	-	44,547	-	-	44,547
Total Program Services	<u>2,562,768</u>	<u>390,931</u>	<u>423,304</u>	<u>9,665</u>	<u>3,386,668</u>
Supporting Services:					
Management and General	752,841	1,036	33,129	-	787,006
Member Support	244,678	-	-	-	244,678
Board and President	115,598	-	-	-	115,598
Fundraising	-	4,124	8,827	-	12,951
Election	15,304	-	-	-	15,304
Total Supporting Services	<u>1,128,421</u>	<u>5,160</u>	<u>41,956</u>	<u>-</u>	<u>1,175,537</u>
Total Expenses	<u>3,691,189</u>	<u>396,091</u>	<u>465,260</u>	<u>9,665</u>	<u>4,562,205</u>
CHANGE IN NET ASSETS	733,609	29,448	-	-	763,057
Net Assets, Beginning of Year	<u>4,119,095</u>	<u>332,379</u>	<u>-</u>	<u>-</u>	<u>4,451,474</u>
NET ASSETS, END OF YEAR	<u>\$ 4,852,704</u>	<u>\$ 361,827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,214,531</u>

Temporarily Restricted					Permanently Restricted						
AFSA	Fund	Scholarship Fund	PAC	Total Temporarily Restricted	AFSA	Fund	Scholarship Fund	PAC	Total Permanently Restricted	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,372,470
-	-	-	-	-	-	-	-	-	-	-	551,819
1,315	-	164,923	2,919	169,157	-	-	100,000	-	100,000	205,383	371,975
-	-	166,161	-	166,161	-	-	-	-	-	-	290,968
-	-	-	-	-	-	-	-	-	-	-	11,188
-	-	-	-	-	-	-	-	-	-	-	96,957
-	-	-	-	-	-	-	-	-	-	-	47,196
-	-	-	-	-	-	-	-	-	-	-	12,734
-	-	-	-	-	-	-	46,918	-	46,918	-	46,918
-	-	563,339	-	563,339	-	-	-	-	-	-	888,304
-	-	(465,260)	(9,665)	(474,925)	-	-	-	-	-	-	-
1,315	-	429,163	(6,746)	423,732	-	-	146,918	-	146,918	205,383	5,690,529
-	-	-	-	-	-	-	-	-	-	-	1,021,250
-	-	-	-	-	-	-	-	-	-	-	1,011,773
-	-	-	-	-	-	-	-	-	-	-	423,304
-	-	-	-	-	-	-	-	-	-	-	172,491
-	-	-	-	-	-	-	-	-	-	-	262,073
-	-	-	-	-	-	-	-	-	-	-	18,086
-	-	-	-	-	-	-	-	-	-	-	92,940
-	-	-	-	-	-	-	-	-	-	-	192,669
-	-	-	-	-	-	-	-	-	-	-	66,225
-	-	-	-	-	-	-	-	-	-	-	9,665
-	-	-	-	-	-	-	-	-	-	-	71,645
-	-	-	-	-	-	-	-	-	-	-	44,547
-	-	-	-	-	-	-	-	-	-	-	3,386,668
-	-	-	-	-	-	-	-	-	-	205,383	581,623
-	-	-	-	-	-	-	-	-	-	-	244,678
-	-	-	-	-	-	-	-	-	-	-	115,598
-	-	-	-	-	-	-	-	-	-	-	12,951
-	-	-	-	-	-	-	-	-	-	-	15,304
-	-	-	-	-	-	-	-	-	-	205,383	970,154
-	-	-	-	-	-	-	-	-	-	205,383	4,356,822
1,315	-	429,163	(6,746)	423,732	-	-	146,918	-	146,918	-	1,333,707
27,491	20,000	5,027,783	78,664	5,153,938	-	-	473,153	-	473,153	-	10,078,565
\$ 28,806	\$ 20,000	\$ 5,456,946	\$ 71,918	\$ 5,577,670	\$ -	\$ -	\$ 620,071	\$ -	\$ 620,071	\$ -	\$ 11,412,272

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011
(See Independent Auditors' Report on Supplementary Information)**

	Unrestricted				Total Unrestricted
	AFSA	Fund	Scholarship Fund	PAC	
REVENUE, GAINS, AND OTHER SUPPORT					
Member Dues	\$ 3,173,451	\$ -	\$ -	\$ -	\$ 3,173,451
Advertising Sales, Net of Discounts	523,809	-	-	-	523,809
Contributions	9,406	1,760,173	-	-	1,769,579
Dividends and Interest	62,618	6,615	-	-	69,233
Registration Fees	-	124,901	-	-	124,901
Book Sales	-	117,603	-	-	117,603
Other	30,561	23	-	-	30,584
Subscriptions	11,769	-	-	-	11,769
Change in Beneficial Interest in Perpetual Trusts	-	-	-	-	-
Net Realized and Unrealized Loss on Investments	(218,758)	(21,223)	-	-	(239,981)
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	6,570	-	430,647	26,982	464,199
Total Revenue, Gains, and Other Support	<u>3,599,426</u>	<u>1,988,092</u>	<u>430,647</u>	<u>26,982</u>	<u>6,045,147</u>
EXPENSES					
Program Services:					
Journal	956,939	-	-	-	956,939
Labor Relations	969,898	-	-	-	969,898
Scholarships	-	-	381,283	-	381,283
Congressional Affairs	187,007	-	-	-	187,007
Public Education and Outreach	-	328,098	-	-	328,098
Road Scholar	-	142,952	-	-	142,952
Membership Services	118,347	-	-	-	118,347
Retirees	102,613	-	-	-	102,613
Professional Issues	-	73,123	-	-	73,123
Political Action Committee	-	-	-	26,982	26,982
Public Affairs	69,711	-	-	-	69,711
Essay Contest	-	12,378	-	-	12,378
Total Program Services	<u>2,404,515</u>	<u>556,551</u>	<u>381,283</u>	<u>26,982</u>	<u>3,369,331</u>
Supporting Services:					
Management and General	2,253,695	5,374	40,721	-	2,299,790
Member Support	284,391	-	-	-	284,391
Board and President	85,509	-	-	-	85,509
Fundraising	-	12,291	8,643	-	20,934
Election	51,423	-	-	-	51,423
Total Supporting Services	<u>2,675,018</u>	<u>17,665</u>	<u>49,364</u>	<u>-</u>	<u>2,742,047</u>
Total Expenses	<u>5,079,533</u>	<u>574,216</u>	<u>430,647</u>	<u>26,982</u>	<u>6,111,378</u>
CHANGE IN NET ASSETS	(1,480,107)	1,413,876	-	-	(66,231)
Net Assets (Deficit), Beginning of Year	<u>5,599,202</u>	<u>(1,081,497)</u>	<u>-</u>	<u>-</u>	<u>4,517,705</u>
NET ASSETS, END OF YEAR	<u>\$ 4,119,095</u>	<u>\$ 332,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,451,474</u>

Temporarily Restricted					Permanently Restricted						
AFSA	Fund	Scholarship Fund	PAC	Total Temporarily Restricted	AFSA	Fund	Scholarship Fund	PAC	Total Permanently Restricted	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,173,451
-	-	-	-	-	-	-	-	-	-	-	523,809
11,700	20,000	130,477	27,650	189,827	-	-	-	-	-	1,691,642	267,764
-	-	111,575	-	111,575	-	-	-	-	-	-	180,808
-	-	-	-	-	-	-	-	-	-	-	124,901
-	-	-	-	-	-	-	-	-	-	-	117,603
-	-	-	-	-	-	-	-	-	-	-	30,584
-	-	-	-	-	-	-	-	-	-	-	11,769
-	-	-	-	-	-	-	(9,862)	-	(9,862)	-	(9,862)
-	-	(509,207)	-	(509,207)	-	-	-	-	-	-	(749,188)
(6,570)	-	(430,647)	(26,982)	(464,199)	-	-	-	-	-	-	-
5,130	20,000	(697,802)	668	(672,004)	-	-	(9,862)	-	(9,862)	1,691,642	3,671,639
-	-	-	-	-	-	-	-	-	-	-	956,939
-	-	-	-	-	-	-	-	-	-	-	969,898
-	-	-	-	-	-	-	-	-	-	-	381,283
-	-	-	-	-	-	-	-	-	-	-	187,007
-	-	-	-	-	-	-	-	-	-	-	328,098
-	-	-	-	-	-	-	-	-	-	-	142,952
-	-	-	-	-	-	-	-	-	-	-	118,347
-	-	-	-	-	-	-	-	-	-	-	102,613
-	-	-	-	-	-	-	-	-	-	-	73,123
-	-	-	-	-	-	-	-	-	-	-	26,982
-	-	-	-	-	-	-	-	-	-	-	69,711
-	-	-	-	-	-	-	-	-	-	-	12,378
-	-	-	-	-	-	-	-	-	-	-	3,369,331
-	-	-	-	-	-	-	-	-	-	1,691,642	608,148
-	-	-	-	-	-	-	-	-	-	-	284,391
-	-	-	-	-	-	-	-	-	-	-	85,509
-	-	-	-	-	-	-	-	-	-	-	20,934
-	-	-	-	-	-	-	-	-	-	-	51,423
-	-	-	-	-	-	-	-	-	-	1,691,642	1,050,405
-	-	-	-	-	-	-	-	-	-	1,691,642	4,419,736
5,130	20,000	(697,802)	668	(672,004)	-	-	(9,862)	-	(9,862)	-	(748,097)
22,361	-	5,725,585	77,996	5,825,942	-	-	483,015	-	483,015	-	10,826,662
\$ 27,491	\$ 20,000	\$ 5,027,783	\$ 78,664	\$ 5,153,938	\$ -	\$ -	\$ 473,153	\$ -	\$ 473,153	\$ -	\$ 10,078,565