

**AMERICAN FOREIGN SERVICE ASSOCIATION  
AND RELATED ORGANIZATIONS**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED DECEMBER 31, 2014 AND 2013**

**AMERICAN FOREIGN SERVICE ASSOCIATION  
AND RELATED ORGANIZATIONS  
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**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, 2014 and 2013, 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, 2014 and 2013, 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Arlington, Virginia  
August 24, 2015

**AMERICAN FOREIGN SERVICE ASSOCIATION  
AND RELATED ORGANIZATIONS  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 434,733	\$ 261,747
Short-Term Investments	412,261	66,137
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$10,000 at December 31, 2014 and 2013	256,757	296,054
Prepaid Expenses	143,047	155,033
Inventory	19,245	20,960
Total Current Assets	1,266,043	799,931
<b>NON-CURRENT ASSETS</b>		
Investments	9,301,256	9,488,811
Beneficial Interest in Perpetual Trusts	726,045	697,665
Property and Equipment, Net of Accumulated Depreciation	2,426,296	2,606,322
Deferred Compensation Plan Investments	262,565	240,377
Total Non-current Assets	12,716,162	13,033,175
Total Assets	\$ 13,982,205	\$ 13,833,106
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 120,253	\$ 31,984
Accrued Expenses	399,841	309,104
Capital Lease Payable, Current Portion	5,738	3,976
Deferred Revenue	502,082	506,302
Deferred Lifetime Dues	-	3,308
Total Current Liabilities	1,027,914	854,674
<b>NON-CURRENT LIABILITIES</b>		
Loan Payable	2,465	96,704
Capital Lease Payable	-	5,739
Deferred Compensation Plan Obligations	262,565	240,377
Total Non-current Liabilities	265,030	342,820
Total Liabilities	1,292,944	1,197,494
<b>NET ASSETS</b>		
Unrestricted	5,415,548	5,476,896
Temporarily Restricted	6,379,112	6,292,498
Permanently Restricted	894,601	866,218
Total Net Assets	12,689,261	12,635,612
Total Liabilities and Net Assets	\$ 13,982,205	\$ 13,833,106

See accompanying Notes to the Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION  
AND RELATED ORGANIZATIONS  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>								
Member Dues	\$ 3,601,688	\$ -	\$ -	\$ 3,601,688	\$ 3,502,000	\$ -	\$ -	\$ 3,502,000
Advertising Sales, Net of Discounts	510,737	-	-	510,737	557,964	-	-	557,964
Contributions	44,918	196,028	-	240,946	74,301	258,500	68,553	401,354
Dividends and Interest	123,583	208,528	-	332,111	137,810	225,931	-	363,741
Registration Fees	9,200	-	-	9,200	13,531	-	-	13,531
Book Sales	54,684	-	-	54,684	47,389	-	-	47,389
Other	11,102	-	-	11,102	14,992	-	-	14,992
Subscriptions	10,278	-	-	10,278	10,939	-	-	10,939
Change in Beneficial Interest in Perpetual Trusts	-	-	28,383	28,383	-	-	177,594	177,594
Net Realized and Unrealized Gain on Investments	144,581	204,063	-	348,644	420,185	744,140	-	1,164,325
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	522,005	(522,005)	-	-	513,743	(513,743)	-	-
Total Revenue, Gains, and Other Support	<u>5,032,776</u>	<u>86,614</u>	<u>28,383</u>	<u>5,147,773</u>	<u>5,292,854</u>	<u>714,828</u>	<u>246,147</u>	<u>6,253,829</u>
<b>EXPENSES</b>								
Program Services:								
Journal	1,025,908	-	-	1,025,908	1,068,864	-	-	1,068,864
Labor Relations	1,084,779	-	-	1,084,779	1,094,607	-	-	1,094,607
Scholarships	459,910	-	-	459,910	435,930	-	-	435,930
Congressional Affairs	345,323	-	-	345,323	302,322	-	-	302,322
Public Education and Outreach	179,082	-	-	179,082	212,794	-	-	212,794
Road Scholar	5,046	-	-	5,046	19,304	-	-	19,304
Membership Services	124,462	-	-	124,462	110,934	-	-	110,934
Retirees	199,273	-	-	199,273	213,758	-	-	213,758
Professional Issues	106,925	-	-	106,925	112,818	-	-	112,818
Political Action Committee	18,226	-	-	18,226	29,961	-	-	29,961
Public Affairs	383,711	-	-	383,711	141,762	-	-	141,762
Essay Contest	54,678	-	-	54,678	55,065	-	-	55,065
Total Program Services	<u>3,987,323</u>	<u>-</u>	<u>-</u>	<u>3,987,323</u>	<u>3,798,119</u>	<u>-</u>	<u>-</u>	<u>3,798,119</u>
Supporting Services:								
Management and General	624,134	-	-	624,134	684,977	-	-	684,977
Member Support	315,112	-	-	315,112	280,710	-	-	280,710
Board and President	159,982	-	-	159,982	197,747	-	-	197,747
Fundraising	6,722	-	-	6,722	24,033	-	-	24,033
Election	851	-	-	851	44,903	-	-	44,903
Total Supporting Services	<u>1,106,801</u>	<u>-</u>	<u>-</u>	<u>1,106,801</u>	<u>1,232,370</u>	<u>-</u>	<u>-</u>	<u>1,232,370</u>
Total Expenses	<u>5,094,124</u>	<u>-</u>	<u>-</u>	<u>5,094,124</u>	<u>5,030,489</u>	<u>-</u>	<u>-</u>	<u>5,030,489</u>
<b>CHANGE IN NET ASSETS</b>	(61,348)	86,614	28,383	53,649	262,365	714,828	246,147	1,223,340
Net Assets, Beginning of Year	5,476,896	6,292,498	866,218	12,635,612	5,214,531	5,577,670	620,071	11,412,272
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 5,415,548</u>	<u>\$ 6,379,112</u>	<u>\$ 894,601</u>	<u>\$ 12,689,261</u>	<u>\$ 5,476,896</u>	<u>\$ 6,292,498</u>	<u>\$ 866,218</u>	<u>\$ 12,635,612</u>

See accompanying Notes to the Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION  
AND RELATED ORGANIZATIONS  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 53,649	\$ 1,223,340
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	203,813	203,697
Loss on Disposal of Property and Equipment	6,161	-
Net Unrealized and Realized Gain on Investments	(348,644)	(1,164,325)
Change in Beneficial Interest in Perpetual Trusts	(28,383)	(177,594)
Changes in Assets and Liabilities:		
Accounts Receivable, Net	39,297	(18,299)
Prepaid Expenses	11,986	(22,269)
Inventory	1,715	(7,194)
Accounts Payable	88,269	(20,196)
Accrued Expenses	90,737	68,045
Deferred Revenue	(4,220)	(23,818)
Deferred Lifetime Dues	(3,308)	(7,392)
Net Cash Provided by Operating Activities	111,072	53,995
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(3,305,599)	(1,500,257)
Proceeds from Sales of Investments	3,520,158	1,299,579
Purchases of Property and Equipment	(53,414)	(213,426)
Net Cash Provided (Used) by Investing Activities	161,145	(414,104)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Capital Lease	(4,992)	(4,992)
Proceeds/Payment to/from Loan	(94,239)	96,704
Net Cash (Used) Provided by Financing Activities	(99,231)	91,712
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	172,986	(268,397)
Cash and Cash Equivalents - Beginning of Year	261,747	530,144
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 434,733	\$ 261,747
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for Interest	\$ 1,555	\$ 2,210
Cash Paid During the Year for Taxes	\$ -	\$ 2,600

See accompanying Notes to the Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION  
AND RELATED ORGANIZATIONS  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**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  
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**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.



**AMERICAN FOREIGN SERVICE ASSOCIATION  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Program and Supporting Services (Continued)**

Essay Contest

The Foreign Service National High School Essay contest began as a program of the 75<sup>th</sup> 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 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> place essays.

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.

**AMERICAN FOREIGN SERVICE ASSOCIATION  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes (Continued)**

AFSA had approximately \$511,000 and \$558,000 in unrelated business income from advertising and other activities for the years ended December 31, 2014 and 2013, 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 2014 and 2013. The PAC did not have any taxable income in 2014 and 2013.

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 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.

**AMERICAN FOREIGN SERVICE ASSOCIATION  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**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, 2014 and 2013.

**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 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.

**AMERICAN FOREIGN SERVICE ASSOCIATION  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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.

**AMERICAN FOREIGN SERVICE ASSOCIATION  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value of Financial Instruments (Continued)**

**Fair Value Hierarchy (Continued)**

***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 24, 2015, 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>2014</u>	<u>2013</u>
Money Market Funds	\$ 412,261	\$ 66,137
Equity Securities	2,631,339	2,839,261
Mutual Funds - Fixed Income	1,753,158	1,465,897
Mutual Funds - Equity	<u>4,916,759</u>	<u>5,183,653</u>
Total	<u>\$ 9,713,517</u>	<u>\$ 9,554,948</u>

**AMERICAN FOREIGN SERVICE ASSOCIATION  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**NOTE 3 SHORT-TERM INVESTMENTS AND INVESTMENTS (CONTINUED)**

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

	<u>2014</u>	<u>2013</u>
Short-Term Investments	\$ 412,261	\$ 66,137
Investments	<u>9,301,256</u>	<u>9,488,811</u>
Total	<u>\$ 9,713,517</u>	<u>\$ 9,554,948</u>

**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:

	<u>2014</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Money Market Funds	\$ 412,261	\$ -	\$ -	\$ 412,261
Equity Securities	2,631,339	-	-	2,631,339
Mutual Funds - Fixed Income	1,753,158	-	-	1,753,158
Mutual Funds - Equity	4,916,759	-	-	4,916,759
Deferred Compensation Plan Investments - Mutual Funds - Equity	262,565	-	-	262,565
Beneficial Interest in Perpetual Trusts	-	-	<u>726,045</u>	<u>726,045</u>
Total	<u>\$ 9,976,082</u>	<u>\$ -</u>	<u>\$ 726,045</u>	<u>\$ 10,702,127</u>

  

	<u>2013</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Money Market Funds	\$ 66,137	\$ -	\$ -	\$ 66,137
Equity Securities	2,839,261	-	-	2,839,261
Mutual Funds - Fixed Income	1,465,897	-	-	1,465,897
Mutual Funds - Equity	5,183,653	-	-	5,183,653
Deferred Compensation Plan Investments - Mutual Funds - Equity	240,377	-	-	240,377
Beneficial Interest in Perpetual Trusts	-	-	<u>697,665</u>	<u>697,665</u>
Total	<u>\$ 9,795,325</u>	<u>\$ -</u>	<u>\$ 697,665</u>	<u>\$ 10,492,990</u>

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:

	<u>2014</u>	<u>2013</u>
Beginning Balance	\$ 697,665	\$ 520,071
Unrealized Gain	<u>28,380</u>	<u>177,594</u>
Ending Balance	<u>\$ 726,045</u>	<u>\$ 697,665</u>

The beneficial interest in perpetual trusts valuation was calculated by taking the December 31, 2014 and 2013 fair value, as reported by third party investment statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION  
AND RELATED ORGANIZATIONS  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**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 8.

**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	2014	2013
Land	\$ 222,854	\$ 222,854
Building and Building Improvements	3,078,163	3,078,163
Furniture and Equipment	501,346	519,202
Software	350,097	623,028
Total	4,152,460	4,443,247
Less: Accumulated Depreciation	(1,726,164)	(1,836,925)
Total	\$ 2,426,296	\$ 2,606,322

**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:

	AFSA Legal Defense Fund	Scholarship Fund	Fund	PAC	Total
Net Assets, December 31, 2012	\$ 28,806	\$ 5,456,946	\$ 20,000	\$ 71,918	\$ 5,577,670
2013 Revenue	500	1,197,683	-	30,388	1,228,571
Less: 2013 Satisfaction of Program Restrictions	-	(483,782)	-	(29,961)	(513,743)
Net Assets, December 31, 2013	29,306	6,170,847	20,000	72,345	6,292,498
2014 Revenue	158	588,952	-	19,509	608,619
Less: 2014 Satisfaction of Program Restrictions	-	(503,779)	-	(18,226)	(522,005)
Net Assets, December 31, 2014	\$ 29,464	\$ 6,256,020	\$ 20,000	\$ 73,628	\$ 6,379,112

**AMERICAN FOREIGN SERVICE ASSOCIATION  
AND RELATED ORGANIZATIONS  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**NOTE 8 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 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 objectives are to protect principal, earn a return, satisfy the payout requirement, and provide growth.



**AMERICAN FOREIGN SERVICE ASSOCIATION  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**NOTE 8 ENDOWMENT (CONTINUED)**

The following is a summary of endowment funds subject to UPMIFA for the years ended December 31, 2014 and 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, December 31, 2012	\$ -	\$ -	\$ 100,000	\$ 100,000
Contributions	-	-	-	-
Transfer of Assets from Trustee to Scholarship Fund	-	-	68,556	68,556
Earnings:				
Investment Income	-	16,091	-	16,091
Appropriations	-	(4,000)	-	(4,000)
Endowment Net Assets, December 31, 2013	-	12,091	168,556	180,647
Contributions	-	-	-	-
Earnings:				
Investment Income	-	7,782	-	7,782
Endowment Net Assets, December 31, 2014	<u>\$ -</u>	<u>\$ 19,873</u>	<u>\$ 168,556</u>	<u>\$ 188,429</u>
Endowment Net Assets, December 31, 2014			\$ 168,556	
Beneficial Interest in Perpetual Trusts, December 31, 2014			<u>726,045</u>	
Permanently Restricted Net Assets, December 31, 2014			<u>\$ 894,601</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, 2014 and 2013.

**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 \$91,660 and \$88,470 for the years ended December 31, 2014 and 2013, respectively.

**AMERICAN FOREIGN SERVICE ASSOCIATION  
AND RELATED ORGANIZATIONS  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**NOTE 10 DEFERRED COMPENSATION PLAN**

The Association offers a deferred compensation plan that is created in accordance with Section 457(b) of the internal revenue code. 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 is included as deferred compensation plan in the accompanying consolidated statements of financial position.

**NOTE 11 COMMITMENTS**

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. Additionally, the agreement has one time fees of approximately \$240,000 - \$290,000.

The Association has a loan payable with the vendor. The original loan balance was \$204,390 and the term is for 24 months at an interest rate of 6%. The outstanding balance as of December 31, 2013 is included as loan payable in the accompanying consolidated statements of financial position.

Future minimum payments under the agreement for the years ending December 31, are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2015	\$ 72,600
2016	72,600
2017	<u>72,600</u>
Total	<u><u>\$ 217,800</u></u>



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## 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, 2014 and 2013, and have issued our report thereon dated August 24, 2015, which contained an unmodified opinion on those consolidated financial statements. Our audits were 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 24, 2015

**AMERICAN FOREIGN SERVICE ASSOCIATION  
AND RELATED ORGANIZATIONS  
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2014 AND 2013  
(See Independent Auditors' Report on Supplementary Information)**

	2014					Consolidated Total
	Consolidating Information					
	AFSA	Fund	Scholarship Fund	PAC	Eliminations	
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	\$ 218,119	\$ -	\$ 141,185	\$ 75,429	\$ -	\$ 434,733
Short-Term Investments	394,782	6,717	10,762	-	-	412,261
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$10,000 at December 31, 2014 and 2013	227,745	8,012	21,000	-	-	256,757
Prepaid Expenses	42,605	2,792	97,650	-	-	143,047
Inventory	14,098	5,147	-	-	-	19,245
Total Current Assets	<u>897,349</u>	<u>22,668</u>	<u>270,597</u>	<u>75,429</u>	<u>-</u>	<u>1,266,043</u>
<b>NON-CURRENT ASSETS</b>						
Note Receivable	-	-	547,657	-	547,657	-
Investments	3,200,800	426,827	5,673,629	-	-	9,301,256
Beneficial Interest in Perpetual Trusts	-	-	726,045	-	-	726,045
Property and Equipment, Net of Accumulated Depreciation	2,426,296	-	-	-	-	2,426,296
Deferred Compensation Plan Investments	262,565	-	-	-	-	262,565
Total Non-current Assets	<u>5,889,661</u>	<u>426,827</u>	<u>6,947,331</u>	<u>-</u>	<u>547,657</u>	<u>12,716,162</u>
Total Assets	<u>\$ 6,787,010</u>	<u>\$ 449,495</u>	<u>\$ 7,217,928</u>	<u>\$ 75,429</u>	<u>\$ 547,657</u>	<u>\$ 13,982,205</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable	\$ 120,210	\$ -	\$ -	\$ 43	\$ -	\$ 120,253
Accrued Expenses	379,414	6,996	13,431	-	-	399,841
Capital Lease Payable, Current Portion	5,738	-	-	-	-	5,738
Deferred Revenue	498,890	3,192	-	-	-	502,082
Deferred Lifetime Dues	-	-	-	-	-	-
Interfund (Receivable) Payable	(55,634)	-	53,876	1,758	-	-
Total Current Liabilities	<u>948,618</u>	<u>10,188</u>	<u>67,307</u>	<u>1,801</u>	<u>-</u>	<u>1,027,914</u>
<b>NON-CURRENT LIABILITIES</b>						
Note Payable and Line of Credit	547,657	-	-	-	547,657	-
Loan Payable	2,465	-	-	-	-	2,465
Capital Lease Payable	-	-	-	-	-	-
Deferred Lifetime Dues	-	-	-	-	-	-
Deferred Compensation Plan Obligations	262,565	-	-	-	-	262,565
Total Non-current Liabilities	<u>812,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>547,657</u>	<u>265,030</u>
Total Liabilities	1,761,305	10,188	67,307	1,801	547,657	1,292,944
<b>NET ASSETS</b>						
Unrestricted	4,996,241	419,307	-	-	-	5,415,548
Temporarily Restricted	29,464	20,000	6,256,020	73,628	-	6,379,112
Permanently Restricted	-	-	894,601	-	-	894,601
Total Net Assets	<u>5,025,705</u>	<u>439,307</u>	<u>7,150,621</u>	<u>73,628</u>	<u>-</u>	<u>12,689,261</u>
Total Liabilities and Net Assets	<u>\$ 6,787,010</u>	<u>\$ 449,495</u>	<u>\$ 7,217,928</u>	<u>\$ 75,429</u>	<u>\$ 547,657</u>	<u>\$ 13,982,205</u>

2013

Consolidating Information					
AFSA	Fund	Scholarship Fund	PAC	Eliminations	Consolidated Total
\$ 53,911	\$ -	\$ 144,628	\$ 63,208	\$ -	\$ 261,747
44,071	10,926	-	11,140	-	66,137
234,962	6,289	54,803	-	-	296,054
51,845	8,000	95,188	-	-	155,033
18,620	2,340	-	-	-	20,960
<u>403,409</u>	<u>27,555</u>	<u>294,619</u>	<u>74,348</u>	<u>-</u>	<u>799,931</u>
-	-	668,437	-	668,437	-
3,511,505	406,233	5,571,073	-	-	9,488,811
-	-	697,665	-	-	697,665
2,606,322	-	-	-	-	2,606,322
240,377	-	-	-	-	240,377
<u>6,358,204</u>	<u>406,233</u>	<u>6,937,175</u>	<u>-</u>	<u>668,437</u>	<u>13,033,175</u>
<u>\$ 6,761,613</u>	<u>\$ 433,788</u>	<u>\$ 7,231,794</u>	<u>\$ 74,348</u>	<u>\$ 668,437</u>	<u>\$ 13,833,106</u>
\$ 31,539	\$ -	\$ -	\$ 445	\$ -	\$ 31,984
275,483	25,687	7,934	-	-	309,104
3,976	-	-	-	-	3,976
503,110	3,192	-	-	-	506,302
3,308	-	-	-	-	3,308
(188,353)	-	186,795	1,558	-	-
<u>629,063</u>	<u>28,879</u>	<u>194,729</u>	<u>2,003</u>	<u>-</u>	<u>854,674</u>
668,437	-	-	-	668,437	-
96,704	-	-	-	-	96,704
5,739	-	-	-	-	5,739
-	-	-	-	-	-
240,377	-	-	-	-	240,377
<u>1,011,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668,437</u>	<u>342,820</u>
1,640,320	28,879	194,729	2,003	668,437	1,197,494
5,091,987	384,909	-	-	-	5,476,896
29,306	20,000	6,170,847	72,345	-	6,292,498
-	-	866,218	-	-	866,218
<u>5,121,293</u>	<u>404,909</u>	<u>7,037,065</u>	<u>72,345</u>	<u>-</u>	<u>12,635,612</u>
<u>\$ 6,761,613</u>	<u>\$ 433,788</u>	<u>\$ 7,231,794</u>	<u>\$ 74,348</u>	<u>\$ 668,437</u>	<u>\$ 13,833,106</u>

**AMERICAN FOREIGN SERVICE ASSOCIATION  
AND RELATED ORGANIZATIONS  
CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2014  
(See Independent Auditors' Report on Supplementary Information)**

	Unrestricted				Total Unrestricted
	AFSA	Fund	Scholarship Fund	PAC	
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>					
Member Dues	\$ 3,601,688	\$ -	\$ -	\$ -	\$ 3,601,688
Advertising Sales, Net of Discounts	510,737	-	-	-	510,737
Contributions	4,194	287,195	-	-	291,389
Dividends and Interest	110,085	13,498	-	-	123,583
Registration Fees	-	9,200	-	-	9,200
Book Sales	-	54,684	-	-	54,684
Other	11,102	-	-	-	11,102
Subscriptions	10,278	-	-	-	10,278
Change in Beneficial Interest in Perpetual Trusts	-	-	-	-	-
Net Realized and Unrealized Gain on Investments	128,571	16,010	-	-	144,581
Net Assets Released from Restrictions -					
Satisfaction of Program Restrictions	-	-	503,779	18,226	522,005
Total Revenue, Gains, and Other Support	<u>4,376,655</u>	<u>380,587</u>	<u>503,779</u>	<u>18,226</u>	<u>5,279,247</u>
<b>EXPENSES</b>					
Program Services:					
Journal	1,025,908	-	-	-	1,025,908
Labor Relations	1,084,779	-	-	-	1,084,779
Scholarships	-	-	459,910	-	459,910
Congressional Affairs	345,323	-	-	-	345,323
Public Education and Outreach	-	179,082	-	-	179,082
Road Scholar	-	5,046	-	-	5,046
Membership Services	124,462	-	-	-	124,462
Retirees	199,273	-	-	-	199,273
Professional Issues	-	106,925	-	-	106,925
Political Action Committee	-	-	-	18,226	18,226
Public Affairs	383,711	-	-	-	383,711
Essay Contest	-	54,678	-	-	54,678
Total Program Services	<u>3,163,456</u>	<u>345,731</u>	<u>459,910</u>	<u>18,226</u>	<u>3,987,323</u>
Supporting Services:					
Management and General	833,000	227	37,378	-	870,605
Member Support	315,112	-	-	-	315,112
Board and President	159,982	-	-	-	159,982
Fundraising	-	231	6,491	-	6,722
Election	851	-	-	-	851
Total Supporting Services	<u>1,308,945</u>	<u>458</u>	<u>43,869</u>	<u>-</u>	<u>1,353,272</u>
Total Expenses	<u>4,472,401</u>	<u>346,189</u>	<u>503,779</u>	<u>18,226</u>	<u>5,340,595</u>
<b>CHANGE IN NET ASSETS</b>	(95,746)	34,398	-	-	(61,348)
Net Assets, Beginning of Year	<u>5,091,987</u>	<u>384,909</u>	<u>-</u>	<u>-</u>	<u>5,476,896</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 4,996,241</u>	<u>\$ 419,307</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,415,548</u>

Temporarily Restricted					Permanently Restricted						
AFSA	Fund	Scholarship Fund	PAC	Total Temporarily Restricted	AFSA	Fund	Scholarship Fund	PAC	Total Permanently Restricted	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,601,688
-	-	-	-	-	-	-	-	-	-	-	510,737
158	-	176,361	19,509	196,028	-	-	-	-	-	246,471	240,946
-	-	208,528	-	208,528	-	-	-	-	-	-	332,111
-	-	-	-	-	-	-	-	-	-	-	9,200
-	-	-	-	-	-	-	-	-	-	-	54,684
-	-	-	-	-	-	-	-	-	-	-	11,102
-	-	-	-	-	-	-	-	-	-	-	10,278
-	-	-	-	-	-	-	28,383	-	28,383	-	28,383
-	-	204,063	-	204,063	-	-	-	-	-	-	348,644
-	-	(503,779)	(18,226)	(522,005)	-	-	-	-	-	-	-
158	-	85,173	1,283	86,614	-	-	28,383	-	28,383	246,471	5,147,773
-	-	-	-	-	-	-	-	-	-	-	1,025,908
-	-	-	-	-	-	-	-	-	-	-	1,084,779
-	-	-	-	-	-	-	-	-	-	-	459,910
-	-	-	-	-	-	-	-	-	-	-	345,323
-	-	-	-	-	-	-	-	-	-	-	179,082
-	-	-	-	-	-	-	-	-	-	-	5,046
-	-	-	-	-	-	-	-	-	-	-	124,462
-	-	-	-	-	-	-	-	-	-	-	199,273
-	-	-	-	-	-	-	-	-	-	-	106,925
-	-	-	-	-	-	-	-	-	-	-	18,226
-	-	-	-	-	-	-	-	-	-	-	383,711
-	-	-	-	-	-	-	-	-	-	-	54,678
-	-	-	-	-	-	-	-	-	-	-	3,987,323
-	-	-	-	-	-	-	-	-	-	246,471	624,134
-	-	-	-	-	-	-	-	-	-	-	315,112
-	-	-	-	-	-	-	-	-	-	-	159,982
-	-	-	-	-	-	-	-	-	-	-	6,722
-	-	-	-	-	-	-	-	-	-	-	851
-	-	-	-	-	-	-	-	-	-	246,471	1,106,801
-	-	-	-	-	-	-	-	-	-	246,471	5,094,124
158	-	85,173	1,283	86,614	-	-	28,383	-	28,383	-	53,649
29,306	20,000	6,170,847	72,345	6,292,498	-	-	866,218	-	866,218	-	12,635,612
\$ 29,464	\$ 20,000	\$ 6,256,020	\$ 73,628	\$ 6,379,112	\$ -	\$ -	\$ 894,601	\$ -	\$ 894,601	\$ -	\$ 12,689,261

**AMERICAN FOREIGN SERVICE ASSOCIATION  
AND RELATED ORGANIZATIONS  
CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2013  
(See Independent Auditors' Report on Supplementary Information)**

	Unrestricted				Total Unrestricted
	AFSA	Fund	Scholarship Fund	PAC	
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>					
Member Dues	\$ 3,502,000	\$ -	\$ -	\$ -	\$ 3,502,000
Advertising Sales, Net of Discounts	557,964	-	-	-	557,964
Contributions	4,691	316,081	-	-	320,772
Dividends and Interest	123,103	14,707	-	-	137,810
Registration Fees	-	13,531	-	-	13,531
Book Sales	-	47,389	-	-	47,389
Other	14,992	-	-	-	14,992
Subscriptions	10,939	-	-	-	10,939
Change in Beneficial Interest in Perpetual Trusts	-	-	-	-	-
Net Realized and Unrealized Gain on Investments	371,582	48,603	-	-	420,185
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	-	-	483,782	29,961	513,743
Total Revenue, Gains, and Other Support	<u>4,585,271</u>	<u>440,311</u>	<u>483,782</u>	<u>29,961</u>	<u>5,539,325</u>
<b>EXPENSES</b>					
Program Services:					
Journal	1,068,864	-	-	-	1,068,864
Labor Relations	1,094,607	-	-	-	1,094,607
Scholarships	-	-	435,930	-	435,930
Congressional Affairs	302,322	-	-	-	302,322
Public Education and Outreach	-	212,794	-	-	212,794
Road Scholar	-	19,304	-	-	19,304
Membership Services	110,934	-	-	-	110,934
Retirees	213,758	-	-	-	213,758
Professional Issues	-	112,818	-	-	112,818
Political Action Committee	-	-	-	29,961	29,961
Public Affairs	141,762	-	-	-	141,762
Essay Contest	-	55,065	-	-	55,065
Total Program Services	<u>2,932,247</u>	<u>399,981</u>	<u>435,930</u>	<u>29,961</u>	<u>3,798,119</u>
Supporting Services:					
Management and General	890,381	860	40,207	-	931,448
Member Support	280,710	-	-	-	280,710
Board and President	197,747	-	-	-	197,747
Fundraising	-	16,388	7,645	-	24,033
Election	44,903	-	-	-	44,903
Total Supporting Services	<u>1,413,741</u>	<u>17,248</u>	<u>47,852</u>	<u>-</u>	<u>1,478,841</u>
Total Expenses	<u>4,345,988</u>	<u>417,229</u>	<u>483,782</u>	<u>29,961</u>	<u>5,276,960</u>
<b>CHANGE IN NET ASSETS</b>	239,283	23,082	-	-	262,365
Net Assets, Beginning of Year	<u>4,852,704</u>	<u>361,827</u>	<u>-</u>	<u>-</u>	<u>5,214,531</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 5,091,987</u>	<u>\$ 384,909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,476,896</u>



Temporarily Restricted					Permanently Restricted						
AFSA	Fund	Scholarship Fund	PAC	Total Temporarily Restricted	AFSA	Fund	Scholarship Fund	PAC	Total Permanently Restricted	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,502,000
-	-	-	-	-	-	-	-	-	-	-	557,964
500	-	227,612	30,388	258,500	-	-	68,553	-	68,553	246,471	401,354
-	-	225,931	-	225,931	-	-	-	-	-	-	363,741
-	-	-	-	-	-	-	-	-	-	-	13,531
-	-	-	-	-	-	-	-	-	-	-	47,389
-	-	-	-	-	-	-	-	-	-	-	14,992
-	-	-	-	-	-	-	-	-	-	-	10,939
-	-	-	-	-	-	-	177,594	-	177,594	-	177,594
-	-	744,140	-	744,140	-	-	-	-	-	-	1,164,325
-	-	(483,782)	(29,961)	(513,743)	-	-	-	-	-	-	-
500	-	713,901	427	714,828	-	-	246,147	-	246,147	246,471	6,253,829
-	-	-	-	-	-	-	-	-	-	-	1,068,864
-	-	-	-	-	-	-	-	-	-	-	1,094,607
-	-	-	-	-	-	-	-	-	-	-	435,930
-	-	-	-	-	-	-	-	-	-	-	302,322
-	-	-	-	-	-	-	-	-	-	-	212,794
-	-	-	-	-	-	-	-	-	-	-	19,304
-	-	-	-	-	-	-	-	-	-	-	110,934
-	-	-	-	-	-	-	-	-	-	-	213,758
-	-	-	-	-	-	-	-	-	-	-	112,818
-	-	-	-	-	-	-	-	-	-	-	29,961
-	-	-	-	-	-	-	-	-	-	-	141,762
-	-	-	-	-	-	-	-	-	-	-	55,065
-	-	-	-	-	-	-	-	-	-	-	3,798,119
-	-	-	-	-	-	-	-	-	-	246,471	684,977
-	-	-	-	-	-	-	-	-	-	-	280,710
-	-	-	-	-	-	-	-	-	-	-	197,747
-	-	-	-	-	-	-	-	-	-	-	24,033
-	-	-	-	-	-	-	-	-	-	-	44,903
-	-	-	-	-	-	-	-	-	-	246,471	1,232,370
-	-	-	-	-	-	-	-	-	-	246,471	5,030,489
500	-	713,901	427	714,828	-	-	246,147	-	246,147	-	1,223,340
28,806	20,000	5,456,946	71,918	5,577,670	-	-	620,071	-	620,071	-	11,412,272
\$ 29,306	\$ 20,000	\$ 6,170,847	\$ 72,345	\$ 6,292,498	\$ -	\$ -	\$ 866,218	\$ -	\$ 866,218	\$ -	\$ 12,635,612