

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2015 AND 2014

**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, 2015 and 2014, 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, 2015 and 2014, 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

Arlington, Virginia
September 6, 2016

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014**

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 453,528	\$ 434,733
Short-Term Investments	370,690	412,261
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$10,000 at December 31, 2015 and 2014	246,983	256,757
Prepaid Expenses	230,680	143,047
Inventory	18,636	19,245
Total Current Assets	1,320,517	1,266,043
NON-CURRENT ASSETS		
Investments	9,589,810	9,301,256
Beneficial Interest in Perpetual Trusts	687,382	726,045
Property and Equipment, Net of Accumulated Depreciation	2,312,053	2,426,296
Deferred Compensation Plan Investments	268,312	262,565
Total Non-current Assets	12,857,557	12,716,162
Total Assets	\$ 14,178,074	\$ 13,982,205
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 19,523	\$ 120,253
Accrued Expenses	398,553	399,841
Capital Lease Payable, Current Portion	4,781	5,738
Deferred Revenue	499,195	502,082
Total Current Liabilities	922,052	1,027,914
NON-CURRENT LIABILITIES		
Loan Payable	-	2,465
Capital Lease Payable	13,404	-
Deferred Compensation Plan Obligations	268,312	262,565
Total Non-current Liabilities	281,716	265,030
Total Liabilities	1,203,768	1,292,944
NET ASSETS		
Unrestricted	5,136,578	5,415,548
Temporarily Restricted	6,981,793	6,379,112
Permanently Restricted	855,935	894,601
Total Net Assets	12,974,306	12,689,261
Total Liabilities and Net Assets	\$ 14,178,074	\$ 13,982,205

See accompanying Notes to the Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS, AND OTHER SUPPORT								
Member Dues	\$ 3,698,165	\$ -	\$ -	\$ 3,698,165	\$ 3,601,688	\$ -	\$ -	\$ 3,601,688
Advertising Sales, Net of Discounts	559,526	-	-	559,526	510,737	-	-	510,737
Contributions	102,423	1,162,461	-	1,264,884	120,254	196,028	-	316,282
Dividends and Interest	91,703	167,097	-	258,800	123,583	208,528	-	332,111
Registration Fees	10,000	-	-	10,000	9,200	-	-	9,200
Book Sales	36,033	-	-	36,033	54,684	-	-	54,684
Other	10,361	-	-	10,361	11,102	-	-	11,102
Subscriptions	10,007	-	-	10,007	10,278	-	-	10,278
Change in Beneficial Interest in Perpetual Trusts	-	-	(38,666)	(38,666)	-	-	28,383	28,383
Net Realized and Unrealized (Loss) Gain on Investments	(80,919)	(179,946)	-	(260,865)	144,581	204,063	-	348,644
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	546,931	(546,931)	-	-	522,005	(522,005)	-	-
Total Revenue, Gains, and Other Support	4,984,230	602,681	(38,666)	5,548,245	5,108,112	86,614	28,383	5,223,109
EXPENSES								
Program Services:								
Journal	1,029,195	-	-	1,029,195	1,025,908	-	-	1,025,908
Labor Relations	1,202,112	-	-	1,202,112	1,084,779	-	-	1,084,779
Scholarships	479,851	-	-	479,851	459,910	-	-	459,910
Congressional Affairs	317,723	-	-	317,723	345,323	-	-	345,323
Public Education and Outreach	194,041	-	-	194,041	179,082	-	-	179,082
Road Scholar	7,542	-	-	7,542	5,046	-	-	5,046
Membership Services	199,363	-	-	199,363	124,462	-	-	124,462
Retirees	-	-	-	-	199,273	-	-	199,273
Professional Issues	138,730	-	-	138,730	106,925	-	-	106,925
Political Action Committee	25,631	-	-	25,631	18,226	-	-	18,226
Public Affairs	344,916	-	-	344,916	383,711	-	-	383,711
Essay Contest	62,043	-	-	62,043	54,678	-	-	54,678
Total Program Services	4,001,147	-	-	4,001,147	3,987,323	-	-	3,987,323
Supporting Services:								
Management and General	708,055	-	-	708,055	699,470	-	-	699,470
Member Support	368,856	-	-	368,856	315,112	-	-	315,112
Board and President	118,117	-	-	118,117	159,982	-	-	159,982
Fundraising	16,297	-	-	16,297	6,722	-	-	6,722
Election	50,728	-	-	50,728	851	-	-	851
Total Supporting Services	1,262,053	-	-	1,262,053	1,182,137	-	-	1,182,137
Total Expenses	5,263,200	-	-	5,263,200	5,169,460	-	-	5,169,460
CHANGE IN NET ASSETS	(278,970)	602,681	(38,666)	285,045	(61,348)	86,614	28,383	53,649
Net Assets, Beginning of Year	5,415,548	6,379,112	894,601	12,689,261	5,476,896	6,292,498	866,218	12,635,612
NET ASSETS, END OF YEAR	<u>\$ 5,136,578</u>	<u>\$ 6,981,793</u>	<u>\$ 855,935</u>	<u>\$ 12,974,306</u>	<u>\$ 5,415,548</u>	<u>\$ 6,379,112</u>	<u>\$ 894,601</u>	<u>\$ 12,689,261</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, 2015 AND 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 285,045	\$ 53,649
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	199,473	203,813
Loss on Disposal of Property and Equipment	-	6,161
Net Unrealized and Realized Loss (Gain) on Investments	260,865	(348,644)
Change in Beneficial Interest in Perpetual Trusts	38,666	(28,383)
Changes in Assets and Liabilities:		
Accounts Receivable, Net	9,774	39,297
Prepaid Expenses	(87,633)	11,986
Inventory	609	1,715
Accounts Payable	(100,730)	88,269
Accrued Expenses	(1,288)	90,737
Deferred Revenue	(2,887)	(4,220)
Deferred Lifetime Dues	-	(3,308)
Net Cash Provided by Operating Activities	601,894	111,072
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,876,085)	(3,305,599)
Proceeds from Sales of Investments	1,368,234	3,520,158
Purchases of Property and Equipment	(65,116)	(53,414)
Net Cash (Used) Provided by Investing Activities	(572,967)	161,145
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease	(7,667)	(4,992)
Proceeds/Payment to/from Loan	(2,465)	(94,239)
Net Cash Used by Financing Activities	(10,132)	(99,231)
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,795	172,986
Cash and Cash Equivalents - Beginning of Year	434,733	261,747
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 453,528	\$ 434,733
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 3,652	\$ 1,555
Assets Acquired through Capital Lease	\$ 20,114	\$ -

See accompanying Notes to the Consolidated Financial Statements.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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, 2015 AND 2014**

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 Awards

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

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
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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 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.

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
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

AFSA had approximately \$560,000 and \$511,000 in unrelated business income from advertising and other activities for the years ended December 31, 2015 and 2014, 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 2015 and 2014. The PAC did not have any taxable income in 2015 and 2014.

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, 2015 AND 2014**

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, 2015 and 2014.

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
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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
DECEMBER 31, 2015 AND 2014**

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.

Reclassifications

Certain reclassifications of the 2014 consolidated financial statements have been made to conform to the 2015 presentation. Such reclassifications had no effect on previously reported change in net assets or net asset amounts.

Subsequent Events

In preparing these consolidated financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through September 6, 2016, 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.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 3 SHORT-TERM INVESTMENTS AND INVESTMENTS

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

	<u>2015</u>	<u>2014</u>
Money Market Funds	\$ 370,690	\$ 412,261
Equity Securities	3,142,994	2,631,339
Mutual Funds - Fixed Income	1,891,295	1,753,158
Mutual Funds - Equity	<u>4,555,521</u>	<u>4,916,759</u>
Total	<u>\$ 9,960,500</u>	<u>\$ 9,713,517</u>

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

	<u>2015</u>	<u>2014</u>
Short-Term Investments	\$ 370,690	\$ 412,261
Investments	<u>9,589,810</u>	<u>9,301,256</u>
Total	<u>\$ 9,960,500</u>	<u>\$ 9,713,517</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:

	2015			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Funds	\$ 370,690	\$ -	\$ -	\$ 370,690
Equity Securities	3,142,994	-	-	3,142,994
Mutual Funds - Fixed Income	1,891,295	-	-	1,891,295
Mutual Funds - Equity	4,555,521	-	-	4,555,521
Deferred Compensation Plan Investments - Mutual Funds - Equity	268,312	-	-	268,312
Beneficial Interest in Perpetual Trusts	-	-	<u>687,382</u>	<u>687,382</u>
Total	<u>\$ 10,228,812</u>	<u>\$ -</u>	<u>\$ 687,382</u>	<u>\$ 10,916,194</u>
	2014			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</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>

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 4 FAIR VALUE HIERARCHY (CONTINUED)

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>2015</u>	<u>2014</u>
Beginning Balance	\$ 726,045	\$ 697,665
Unrealized (Loss) Gain	<u>(38,663)</u>	<u>28,380</u>
Ending Balance	<u>\$ 687,382</u>	<u>\$ 726,045</u>

The beneficial interest in perpetual trusts valuation was calculated by taking the December 31, 2015 and 2014, fair value, as reported by third party investment statements.

NOTE 5 BENEFICIAL INTERESTS IN PERPETUAL TRUSTS

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

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Land	\$ 222,854	\$ 222,854
Building and Building Improvements	3,078,163	3,078,163
Furniture and Equipment	523,786	501,346
Software	412,887	350,097
Total	<u>4,237,690</u>	<u>4,152,460</u>
Less: Accumulated Depreciation	<u>(1,925,637)</u>	<u>(1,726,164)</u>
Total	<u>\$ 2,312,053</u>	<u>\$ 2,426,296</u>

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 7 CAPITAL LEASE OBLIGATION

The Association entered into a capital lease totaling \$20,114 for a copier lease under a long term lease agreement placed in service in August 2015. As of December 31, 2015, accumulated depreciation totaled \$1,676. Future minimum commitments are as follows:

Year Ending December 31,	Amount
2016	\$ 5,508
2017	5,508
2018	5,508
2019	3,214
Total Minimum Lease Payments	19,738
Less: Amount Representing Interest	1,553
Present Value of Minimum Lease Payments	\$ 18,185

NOTE 8 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, 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
2015 Revenue	336	1,146,781	-	2,495	1,149,612
Less: 2015 Satisfaction of Program Restrictions	-	(521,300)	-	(25,631)	(546,931)
Net Assets, December 31, 2015	\$ 29,800	\$ 6,881,501	\$ 20,000	\$ 50,492	\$ 6,981,793

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 9 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
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 9 ENDOWMENT (CONTINUED)

The following is a summary of endowment funds subject to UPMIFA for the years ended December 31, 2015 and 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, December 31, 2013	\$ -	\$ 12,091	\$ 168,553	\$ 180,644
Earnings:				
Investment Income	<u>-</u>	<u>7,782</u>	<u>-</u>	<u>7,782</u>
Endowment Net Assets, December 31, 2014	-	19,873	168,553	188,426
Earnings:				
Investment Income	<u>-</u>	<u>6,295</u>	<u>-</u>	<u>6,295</u>
Endowment Net Assets, December 31, 2015	<u>\$ -</u>	<u>\$ 26,168</u>	<u>\$ 168,553</u>	<u>\$ 194,721</u>
Endowment Net Assets, December 31, 2015			\$ 168,553	
Beneficial Interest in Perpetual Trusts, December 31, 2015			<u>687,382</u>	
Permanently Restricted Net Assets, December 31, 2015			<u>\$ 855,935</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, 2015 and 2014.

NOTE 10 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 \$100,674 and \$91,660 for the years ended December 31, 2015 and 2014, respectively.

NOTE 11 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 are included as deferred compensation plan in the accompanying consolidated statements of financial position.

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

NOTE 12 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 had 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 loan balance was paid off as of December 31, 2015. The outstanding balance as of December 31, 2014, is included as loan payable in the accompanying consolidated statements of financial position.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2016	\$ 72,600
2017	<u>72,600</u>
Total	<u><u>\$ 145,200</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, 2015 and 2014, and have issued our report thereon dated September 6, 2016, 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
September 6, 2016

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015
(See Independent Auditors' Report on Supplementary Information)**

	Consolidating Information					Consolidated Total
	AFSA	Fund	Scholarship Fund	PAC	Eliminations	
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 48,667	\$ -	\$ 352,568	\$ 52,293	\$ -	\$ 453,528
Short-Term Investments	337,812	21,581	11,297	-	-	370,690
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$10,000	220,609	5,374	21,000	-	-	246,983
Prepaid Expenses	120,430	-	110,250	-	-	230,680
Inventory	11,384	7,252	-	-	-	18,636
Total Current Assets	<u>738,902</u>	<u>34,207</u>	<u>495,115</u>	<u>52,293</u>	<u>-</u>	<u>1,320,517</u>
NON-CURRENT ASSETS						
Note Receivable	-	-	422,893	-	422,893	-
Investments	2,933,989	401,330	6,254,491	-	-	9,589,810
Beneficial Interest in Perpetual Trusts	-	-	687,382	-	-	687,382
Property and Equipment, Net of Accumulated Depreciation	2,312,053	-	-	-	-	2,312,053
Deferred Compensation Plan Investments	268,312	-	-	-	-	268,312
Total Non-current Assets	<u>5,514,354</u>	<u>401,330</u>	<u>7,364,766</u>	<u>-</u>	<u>422,893</u>	<u>12,857,557</u>
Total Assets	<u>\$ 6,253,256</u>	<u>\$ 435,537</u>	<u>\$ 7,859,881</u>	<u>\$ 52,293</u>	<u>\$ 422,893</u>	<u>\$ 14,178,074</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable	\$ 19,480	\$ -	\$ -	\$ 43	\$ -	\$ 19,523
Accrued Expenses	369,573	10,091	18,889	-	-	398,553
Capital Lease Payable, Current Portion	4,781	-	-	-	-	4,781
Deferred Revenue	496,003	3,192	-	-	-	499,195
Interfund (Receivable) Payable	(105,314)	-	103,556	1,758	-	-
Total Current Liabilities	<u>784,523</u>	<u>13,283</u>	<u>122,445</u>	<u>1,801</u>	<u>-</u>	<u>922,052</u>
NON-CURRENT LIABILITIES						
Note Payable and Line of Credit	422,893	-	-	-	422,893	-
Capital Lease Payable	13,404	-	-	-	-	13,404
Deferred Lifetime Dues	-	-	-	-	-	-
Deferred Compensation Plan Obligations	268,312	-	-	-	-	268,312
Total Non-current Liabilities	<u>704,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,893</u>	<u>281,716</u>
Total Liabilities	1,489,132	13,283	122,445	1,801	422,893	1,203,768
NET ASSETS						
Unrestricted	4,734,324	402,254	-	-	-	5,136,578
Temporarily Restricted	29,800	20,000	6,881,501	50,492	-	6,981,793
Permanently Restricted	-	-	855,935	-	-	855,935
Total Net Assets	<u>4,764,124</u>	<u>422,254</u>	<u>7,737,436</u>	<u>50,492</u>	<u>-</u>	<u>12,974,306</u>
Total Liabilities and Net Assets	<u>\$ 6,253,256</u>	<u>\$ 435,537</u>	<u>\$ 7,859,881</u>	<u>\$ 52,293</u>	<u>\$ 422,893</u>	<u>\$ 14,178,074</u>

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

	Consolidating Information					Consolidated Total
	AFSA	Fund	Scholarship Fund	PAC	Eliminations	
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents, Including Restricted Cash	\$ 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	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>
NON-CURRENT ASSETS						
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>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
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
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>
NON-CURRENT LIABILITIES						
Note Payable and Line of Credit	547,657	-	-	-	547,657	-
Loan Payable	2,465	-	-	-	-	2,465
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	<u>1,761,305</u>	<u>10,188</u>	<u>67,307</u>	<u>1,801</u>	<u>547,657</u>	<u>1,292,944</u>
NET ASSETS						
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>

**AMERICAN FOREIGN SERVICE ASSOCIATION
AND RELATED ORGANIZATIONS
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015
(See Independent Auditors' Report on Supplementary Information)**

	Unrestricted				Total Unrestricted
	AFSA	Fund	Scholarship Fund	PAC	
REVENUE, GAINS, AND OTHER SUPPORT					
Member Dues	\$ 3,698,165	\$ -	\$ -	\$ -	\$ 3,698,165
Advertising Sales, Net of Discounts	559,526	-	-	-	559,526
Contributions	4,074	327,405	-	-	331,479
Dividends and Interest	80,021	11,682	-	-	91,703
Registration Fees	-	10,000	-	-	10,000
Book Sales	-	36,033	-	-	36,033
Other	10,361	-	-	-	10,361
Subscriptions	10,007	-	-	-	10,007
Change in Beneficial Interest in Perpetual Trusts	-	-	-	-	-
Net Realized and Unrealized Loss on Investments	(71,737)	(9,182)	-	-	(80,919)
Net Assets Released from Restrictions -					
Satisfaction of Program Restrictions	-	-	521,300	25,631	546,931
Total Revenue, Gains, and Other Support	<u>4,290,417</u>	<u>375,938</u>	<u>521,300</u>	<u>25,631</u>	<u>5,213,286</u>
EXPENSES					
Program Services:					
Journal	1,029,195	-	-	-	1,029,195
Labor Relations	1,202,112	-	-	-	1,202,112
Scholarships	-	-	479,851	-	479,851
Congressional Affairs	317,723	-	-	-	317,723
Public Education and Outreach	18,590	175,451	-	-	194,041
Road Scholar	-	7,542	-	-	7,542
Membership Services	199,363	-	-	-	199,363
Professional Awards	-	138,730	-	-	138,730
Political Action Committee	-	-	-	25,631	25,631
Public Affairs	344,916	-	-	-	344,916
Essay Contest	-	62,043	-	-	62,043
Total Program Services	<u>3,111,899</u>	<u>383,766</u>	<u>479,851</u>	<u>25,631</u>	<u>4,001,147</u>
Supporting Services:					
Management and General	902,734	17	34,360	-	937,111
Member Support	368,856	-	-	-	368,856
Board and President	118,117	-	-	-	118,117
Fundraising	-	9,208	7,089	-	16,297
Election	50,728	-	-	-	50,728
Total Supporting Services	<u>1,440,435</u>	<u>9,225</u>	<u>41,449</u>	<u>-</u>	<u>1,491,109</u>
Total Expenses	<u>4,552,334</u>	<u>392,991</u>	<u>521,300</u>	<u>25,631</u>	<u>5,492,256</u>
CHANGE IN NET ASSETS	(261,917)	(17,053)	-	-	(278,970)
Net Assets, Beginning of Year	<u>4,996,241</u>	<u>419,307</u>	<u>-</u>	<u>-</u>	<u>5,415,548</u>
NET ASSETS, END OF YEAR	<u>\$ 4,734,324</u>	<u>\$ 402,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,136,578</u>

Temporarily Restricted					Permanently Restricted					Eliminations	Total	
AFSA	Fund	Scholarship Fund	PAC	Total Temporarily Restricted	AFSA	Fund	Scholarship Fund	PAC	Total Permanently Restricted			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,698,165
-	-	-	-	-	-	-	-	-	-	-	-	559,526
336	-	1,159,630	2,495	1,162,461	-	-	-	-	-	229,056	-	1,264,884
-	-	167,097	-	167,097	-	-	-	-	-	-	-	258,800
-	-	-	-	-	-	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	-	-	-	-	-	36,033
-	-	-	-	-	-	-	-	-	-	-	-	10,361
-	-	-	-	-	-	-	-	-	-	-	-	10,007
-	-	-	-	-	-	-	(38,666)	-	(38,666)	-	-	(38,666)
-	-	(179,946)	-	(179,946)	-	-	-	-	-	-	-	(260,865)
-	-	(521,300)	(25,631)	(546,931)	-	-	-	-	-	-	-	-
336	-	625,481	(23,136)	602,681	-	-	(38,666)	-	(38,666)	229,056	-	5,548,245
-	-	-	-	-	-	-	-	-	-	-	-	1,029,195
-	-	-	-	-	-	-	-	-	-	-	-	1,202,112
-	-	-	-	-	-	-	-	-	-	-	-	479,851
-	-	-	-	-	-	-	-	-	-	-	-	317,723
-	-	-	-	-	-	-	-	-	-	-	-	194,041
-	-	-	-	-	-	-	-	-	-	-	-	7,542
-	-	-	-	-	-	-	-	-	-	-	-	199,363
-	-	-	-	-	-	-	-	-	-	-	-	138,730
-	-	-	-	-	-	-	-	-	-	-	-	25,631
-	-	-	-	-	-	-	-	-	-	-	-	344,916
-	-	-	-	-	-	-	-	-	-	-	-	62,043
-	-	-	-	-	-	-	-	-	-	-	-	4,001,147
-	-	-	-	-	-	-	-	-	-	229,056	-	708,055
-	-	-	-	-	-	-	-	-	-	-	-	368,856
-	-	-	-	-	-	-	-	-	-	-	-	118,117
-	-	-	-	-	-	-	-	-	-	-	-	16,297
-	-	-	-	-	-	-	-	-	-	-	-	50,728
-	-	-	-	-	-	-	-	-	-	229,056	-	1,262,053
-	-	-	-	-	-	-	-	-	-	229,056	-	5,263,200
336	-	625,481	(23,136)	602,681	-	-	(38,666)	-	(38,666)	-	-	285,045
29,464	20,000	6,256,020	73,628	6,379,112	-	-	894,601	-	894,601	-	-	12,689,261
\$ 29,800	\$ 20,000	\$ 6,881,501	\$ 50,492	\$ 6,981,793	\$ -	\$ -	\$ 855,935	\$ -	\$ 855,935	\$ -	\$ -	\$ 12,974,306

**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	
REVENUE, GAINS, AND OTHER SUPPORT					
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>
EXPENSES					
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>
CHANGE IN NET ASSETS	(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>
NET ASSETS, END OF YEAR	<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	-	-	-	-	-	171,135	316,282
-	-	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	171,135	5,223,109
-	-	-	-	-	-	-	-	-	-	-	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
-	-	-	-	-	-	-	-	-	-	171,135	699,470
-	-	-	-	-	-	-	-	-	-	-	315,112
-	-	-	-	-	-	-	-	-	-	-	159,982
-	-	-	-	-	-	-	-	-	-	-	6,722
-	-	-	-	-	-	-	-	-	-	-	851
-	-	-	-	-	-	-	-	-	-	171,135	1,182,137
-	-	-	-	-	-	-	-	-	-	171,135	5,169,460
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