The Fund for American Studies and Affiliate

Consolidated Financial Report
December 31, 2014
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Independent Auditor’s Report

To the Board of Trustees
The Fund for American Studies
Washington, D.C.

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of The Fund for American Studies and Affiliate (the Fund) which comprise the consolidated balance sheet as of December 31, 2014, and the related consolidated statements of activities, functional expenses and cash flows for the year 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.

Auditor’s Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 auditor’s 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 financial position of the Fund as of December 31, 2014, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Report on Summarized Comparative Information
We have previously audited the Fund’s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 17, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Washington, D.C.
June 17, 2015
## The Fund for American Studies and Affiliate

### Consolidated Balance Sheet

**December 31, 2014**

(With Comparative Totals for 2013)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,502,126</td>
<td>$1,079,920</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>145,289</td>
<td>247,876</td>
</tr>
<tr>
<td>Promises to Give, Net</td>
<td>1,035,908</td>
<td>1,159,544</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>306,065</td>
<td>366,993</td>
</tr>
<tr>
<td>Property and Equipment, Net</td>
<td>6,104,387</td>
<td>6,335,214</td>
</tr>
<tr>
<td>Investments</td>
<td>14,798,514</td>
<td>15,491,854</td>
</tr>
<tr>
<td>Deposits</td>
<td>250,000</td>
<td>450,000</td>
</tr>
<tr>
<td>Cash Surrender Value – Life Insurance</td>
<td>22,999</td>
<td>21,965</td>
</tr>
<tr>
<td></td>
<td><strong>24,165,288</strong></td>
<td><strong>25,153,366</strong></td>
</tr>
</tbody>
</table>

| **Liabilities and Net Assets** |           |           |
| Liabilities                  |           |           |
| Accounts payable and accrued expenses | $558,596 | $610,589 |
| Deferred revenue             | 99,055    | 162,977   |
| Capital lease obligations    | 77,219    | 105,188   |
| Notes payable                | 5,042,585 | 5,042,585 |
|                             | **5,777,455** | **5,921,339** |

| Commitments (Notes 12 and 13) |           |           |
| Net Assets                   |           |           |
| Unrestricted                 |           |           |
| Undesignated                 | 989,711   | 1,034,533 |
| Board designated             | 14,085,685| 15,617,955|
|                             | **15,075,396** | **16,652,488** |
| Temporarily restricted        | 3,274,095 | 2,544,362 |
| Permanently restricted        | 38,342    | 35,177    |
|                             | **18,387,833** | **19,232,027** |

|                             | 2014      | 2013      |
| Net Assets                  | $24,165,288 | $25,153,366 |

See Notes to Consolidated Financial Statements.
The Fund for American Studies and Affiliate

Consolidated Statement of Activities
Year Ended December 31, 2014
(With Comparative Totals for 2013)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Temporarily</td>
</tr>
<tr>
<td>Revenue and Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition, registration,</td>
<td>$4,189,370</td>
<td>$</td>
</tr>
<tr>
<td>housing and other fees</td>
<td>(1,601,443)</td>
<td>(1,601,443)</td>
</tr>
<tr>
<td>Less scholarships granted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>2,587,927</td>
<td>2,587,927</td>
</tr>
<tr>
<td>Conference income</td>
<td>2,587,927</td>
<td>2,587,927</td>
</tr>
<tr>
<td>Other income</td>
<td>168,872</td>
<td>168,872</td>
</tr>
<tr>
<td>Net assets released from</td>
<td>$2,025,447</td>
<td>$2,025,447</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue and support</td>
<td>8,647,501</td>
<td>628,505</td>
</tr>
</tbody>
</table>

Expenses
Program services:
Engalitcheff Institute on Comparative
Political and Economic Systems | 695,336 | 644,259 | 602,963 | 548,811 | 438,811 | 695,336 | 711,863 |
| Institute on Political Journalism | 644,259 | 644,259 | 644,259 | 644,259 | 644,259 | 667,945 |
| Institute on Business and Government Affairs | 602,963 | 602,963 | 602,963 | 602,963 | 602,963 | 667,945 |
| Institute on Economics and International Affairs | 548,562 | 548,562 | 548,562 | 548,562 | 548,562 | 515,854 |
| Institute on Philanthropy and Voluntary Service | 438,811 | 438,811 | 438,811 | 438,811 | 438,811 | 569,341 |
| Legal Studies Institute | 414,482 | 414,482 | 414,482 | 414,482 | 414,482 | 385,632 |
| Capital Semester | 1,171,433 | 1,171,433 | 1,171,433 | 1,171,433 | 1,171,433 | 985,311 |
| Foundation for Teaching Economics | 2,152,969 | 2,152,969 | 2,152,969 | 2,152,969 | 2,152,969 | 2,415,741 |
| Asia Institute for Political Economy | 329,081 | 329,081 | 329,081 | 329,081 | 329,081 | 439,247 |
| Alumni Program | 206,178 | 206,178 | 206,178 | 206,178 | 206,178 | 206,178 |
| Other programs | 271,983 | 271,983 | 271,983 | 271,983 | 271,983 | 390,526 |
| Novak Journalism Fellows Program | 529,411 | 529,411 | 529,411 | 529,411 | 529,411 | 385,847 |
| Institute for Leadership in the Americas | 315,960 | 315,960 | 315,960 | 315,960 | 315,960 | 298,840 |
|                          | 8,836,470            | 8,836,470            |                    | 8,961,100 | 8,961,100       |

Supporting services:
General and administrative | 803,849 | 803,849 | 803,849 | 803,849 | 803,849 | 776,652 |
| Fundraising | 1,379,495 | 1,379,495 | 1,379,495 | 1,379,495 | 1,379,495 | 1,309,376 |
|                          | 11,019,814           | 11,019,814           |                    | 11,047,128 | 11,047,128     |

Change in net assets before investment income and other gains (losses) | (2,372,313) | 628,505 | (1,743,808) | (1,617,382) |
Investment Income | 795,221 | 101,228 | 3,165 | 899,614 | 2,343,464 |
Gain on Acquisition of FTE | - | - | - | - | 698,324 |
Loss on Acquisition of RNJFP | - | - | - | - | (79,839) |
Change in net assets | (1,577,092) | 729,733 | 3,165 | (844,194) | 1,344,567 |

Net Assets
Beginning | 16,652,488 | 2,544,362 | 35,177 | 19,232,027 | 17,887,460 |
Ending | $15,075,396 | $3,274,095 | $38,342 | $18,387,833 | $19,232,027 |

See Notes to Consolidated Financial Statements.
### The Fund for American Studies and Affiliate

#### Consolidated Statement of Functional Expenses

**Year Ended December 31, 2014**

(With Comparative Totals for 2013)

<table>
<thead>
<tr>
<th>2014</th>
<th>Program Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICPES</td>
<td>IEIA</td>
</tr>
<tr>
<td>Salaries</td>
<td>$142,325</td>
</tr>
<tr>
<td>Faculty salaries</td>
<td>26,500</td>
</tr>
<tr>
<td>Events</td>
<td>21,946</td>
</tr>
<tr>
<td>Student housing</td>
<td>205,257</td>
</tr>
<tr>
<td>Payroll taxes and benefits</td>
<td>23,555</td>
</tr>
<tr>
<td>Student recruitment</td>
<td>74,783</td>
</tr>
<tr>
<td>University overhead</td>
<td>50,417</td>
</tr>
<tr>
<td>Professional fees</td>
<td>30,379</td>
</tr>
<tr>
<td>Meetings and conferences</td>
<td>22,453</td>
</tr>
<tr>
<td>Travel</td>
<td>8,576</td>
</tr>
<tr>
<td>Meals</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
</tr>
<tr>
<td>Books and subscriptions</td>
<td>-</td>
</tr>
<tr>
<td>Facility costs</td>
<td>50,417</td>
</tr>
<tr>
<td>Printing</td>
<td>5,146</td>
</tr>
<tr>
<td>Telephone</td>
<td>3,097</td>
</tr>
<tr>
<td>Equipment</td>
<td>24,572</td>
</tr>
<tr>
<td>Postage</td>
<td>1,802</td>
</tr>
<tr>
<td>Internet access and web pages</td>
<td>2,209</td>
</tr>
<tr>
<td>Photography</td>
<td>3,182</td>
</tr>
<tr>
<td>Supplies</td>
<td>1,486</td>
</tr>
<tr>
<td>Alumni programs</td>
<td>-</td>
</tr>
<tr>
<td>Marketing and sponsorships</td>
<td>2,885</td>
</tr>
<tr>
<td>Delivery</td>
<td>434</td>
</tr>
<tr>
<td>Eben Tisdale scholarships</td>
<td>-</td>
</tr>
<tr>
<td>Novak Fellowship Grants</td>
<td>-</td>
</tr>
<tr>
<td>Novak Fellowship Expense accounts</td>
<td>-</td>
</tr>
<tr>
<td>Direct mail campaign</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total | $695,336 | $548,562 | $644,259 | $529,411 | $602,963 | $436,811 | $479,132 | $329,061 |

See Notes to Consolidated Financial Statements.
### The Fund for American Studies and Affiliate

#### Consolidated Statement of Functional Expenses (Cont'd)

**Year Ended December 31, 2014**

(With Comparative Totals for 2013)

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ILA</strong></td>
<td><strong>LSI</strong></td>
</tr>
<tr>
<td>5,000</td>
<td>17,500</td>
</tr>
<tr>
<td>6,764</td>
<td>5,016</td>
</tr>
<tr>
<td>43,890</td>
<td>140,219</td>
</tr>
<tr>
<td>16,572</td>
<td>17,716</td>
</tr>
<tr>
<td>2,778</td>
<td>22,252</td>
</tr>
<tr>
<td>3,219</td>
<td>2,414</td>
</tr>
<tr>
<td>9,394</td>
<td>20,000</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>20,253</td>
<td>15,190</td>
</tr>
<tr>
<td>14,882</td>
<td>11,732</td>
</tr>
<tr>
<td>21,896</td>
<td>7,289</td>
</tr>
<tr>
<td>4,526</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>446</td>
<td>-</td>
</tr>
<tr>
<td>33,611</td>
<td>25,208</td>
</tr>
<tr>
<td>3,431</td>
<td>2,573</td>
</tr>
<tr>
<td>2,284</td>
<td>1,562</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16,382</td>
<td>12,286</td>
</tr>
<tr>
<td>1,202</td>
<td>901</td>
</tr>
<tr>
<td>1,875</td>
<td>1,104</td>
</tr>
<tr>
<td>281</td>
<td>211</td>
</tr>
<tr>
<td>1,785</td>
<td>743</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1,923</td>
<td>1,442</td>
</tr>
<tr>
<td>346</td>
<td>217</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
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<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>315,960</td>
<td>414,482</td>
</tr>
</tbody>
</table>
# Consolidated Statement of Cash Flows

**Year Ended December 31, 2014**  
*(With Comparative Totals for 2013)*

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows From Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ (844,194)</td>
<td>$ 1,344,567</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash used in operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on acquisition of FTE</td>
<td>-</td>
<td>(698,324)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>262,041</td>
<td>262,129</td>
</tr>
<tr>
<td>Realized and unrealized gains on investments</td>
<td>(730,159)</td>
<td>(1,811,515)</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>-</td>
<td>31,649</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>102,587</td>
<td>(216,842)</td>
</tr>
<tr>
<td>Promises to give</td>
<td>123,636</td>
<td>(689,102)</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>60,928</td>
<td>(18,513)</td>
</tr>
<tr>
<td>Deposits</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(51,993)</td>
<td>27,602</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(63,922)</td>
<td>54,866</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(941,076)</td>
<td>(1,713,483)</td>
</tr>
</tbody>
</table>

| **Cash Flows From Investing Activities** |              |              |
| Purchases of property and equipment | (31,214)     | (41,208)     |
| Increase in cash surrender value of life insurance | (1,034)     | (1,015)      |
| Cash received from acquisition of affiliate | -            | 241,897      |
| Proceeds from sales of investments | 2,999,244    | 2,989,719    |
| Purchases of investments          | (1,575,745)  | (748,179)    |
| **Net cash provided by investing activities** | 1,391,251    | 2,441,214    |

| **Cash Flows From Financing Activities** |              |              |
| Principal payments on capital lease | (27,969)     | (47,879)     |
| **Net cash used in financing activities** | (27,969)     | (47,879)     |

| **Net increase in cash and cash equivalents** | 422,206      | 679,852      |

| **Cash and Cash Equivalents** |              |              |
| **Beginning**                 | 1,079,920    | 400,068      |
| **Ending**                    | $ 1,502,126  | $ 1,079,920  |

| **Supplemental Disclosure of Cash Flow Information** |              |              |
| Cash paid for interest         | $ 255,582    | $ 288,332    |

See Notes to Consolidated Financial Statements.
The Fund for American Studies and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities: The Fund for American Studies and Affiliate (the Fund) is comprised of two entities: The Fund for American Studies (TFAS) and the Foundation for Teaching Economics (FTE).

TFAS was originally incorporated in the District of Columbia on February 6, 1967, as the Charles Edison Youth Fund. The Fund currently operates education programs for selected college students from all parts of the country and around the world. These institutes are: Engalitcheff Institute on Comparative Political and Economic Systems, Institute on Political Journalism, Institute on Business and Government Affairs, American Institute on Political and Economic Systems, International Institute for Political and Economic Studies, Institute on Philanthropy and Voluntary Service, Legal Studies Institute, Asia Institute for Political Economy, and Institute for Leadership in the Americas. Four of these institutes are held outside of the United States. In addition, the Fund operates Spring and Fall Capital Semester programs and organizes conferences for students and young professionals.

FTE was organized for the purpose of introducing young individuals, selected for their leadership potential, to an economic way of thinking about national and international issues and to promote excellence in economic education by helping teachers of economics become more effective educators.

A summary of the Fund’s significant accounting policies follows:

Basis of Accounting: The consolidated financial statements have been prepared on the accrual basis of accounting, whereby, revenue is recognized when earned, unconditional support is recognized when received, and expenses are recognized when incurred.

Basis of Consolidation: The accompanying consolidated financial statements include the accounts of TFAS and FTE. All significant intercompany accounts and transactions have been eliminated for consolidation.

Basis of Presentation: The consolidated financial statement presentation follows the recommendations under the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under this ASC, the Fund is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets are the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets result from contributions whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Fund pursuant to those stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes.

Permanently restricted net assets result from contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Fund’s actions. The Fund’s permanently restricted net assets consist of a beneficial interest in a split-interest agreement.

Cash and Cash Equivalents: The Fund considers all short-term money market accounts to be cash equivalents. All cash and investments, regardless of maturity, held by the investment advisor are considered investments.
Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Financial risk: The Fund maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Fund has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk on cash.

The Fund invests in a professionally managed portfolio that contains money market funds, bonds and fixed income and equity mutual funds. Such investments are exposed to various risks, such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risk in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

Accounts receivable: Receivables are carried at original invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management believes accounts receivable are fully collectible and no provision for doubtful receivables is necessary. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. A receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 90 days.

Promises to give: Unconditional promises to give are recognized as revenue in the period the promise is made. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Promises to give are carried at original amount promised less an estimate made for doubtful promises based on a review of all outstanding promises on a monthly basis. Management determines the allowance for doubtful promises by regularly evaluating individual promises to give and considering prior history of donors and proven collectibility of past donations. Promises to give are written off when deemed uncollectible. Recoveries of promises previously written off are recorded when received. Management believes promises to give were fully collectible and no provision for doubtful promises to give was necessary at December 31, 2014.

Property and equipment: The Fund capitalizes all property and equipment with a cost greater than or equal to $1,000. Property and equipment are recorded at historical cost, and depreciation is provided on a straight-line basis over the estimated useful lives of 3 to 31 years.

Valuation of long-lived assets: Long-lived assets and certain identifiable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are reflected at fair market value. To adjust the carrying values of these securities, the change in fair market value is charged or credited to current operations.

Board designated net assets: Board designated net assets represent unrestricted net assets that the Board of Directors has earmarked for specific purposes.
Note 1. **Nature of Activities and Significant Accounting Policies (Continued)**

**Revenue and support:** The Fund reports contributions as temporarily restricted support if they are received with donor or grantor stipulations that limit the use of the donated assets. 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 consolidated statement of activities as net assets released from restrictions.

The Fund recognizes income from bequests and contributions in the year the promise to give becomes unconditional. The Fund records donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted revenue.

Income from tuition, registrations, housing and other fees for the institutes is recognized as revenue when the respective institute is held. The tuition for students who receive reduced or waived tuition (internally designated as scholarships by the Fund) is recorded in the accompanying consolidated statement of activities as tuition remissions. Income received in advance is recorded as deferred revenue.

Income from investments is recognized as earned. Investment income includes interest, dividends and realized gains and losses on investment transactions. Since all investments are carried at fair value, the net change in the fair value of investments is recognized as an unrealized gain or loss on investments.

**Annuities payable:** Charitable Gift Annuities are unrestricted irrevocable gifts, under which the Fund agrees in turn to pay a life annuity to the donor or designated beneficiary. The contributed funds and the attendant liabilities immediately become part of the general assets and liabilities of the Fund, subject to the Fund maintaining an actuarial reserve in accordance with District of Columbia law.

The Fund initially values deferred gifts of cash at face value and those of equities at market value; these values are then actuarially discounted. Published Internal Revenue Service discount rates are employed to determine the net present value of both contributions and liabilities pertaining to these deferred giving arrangements.

**Functional expenses:** The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but that provide for the overall support and direction of the Fund.

**Income taxes:** TFAS and FTE are generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the entities qualify for charitable contribution deductions and have been classified as organizations that are not private foundations. Income from certain activities not directly related to the Fund’s exempt purpose, less applicable deductions, is subject to taxation as unrelated business income. For the year ended December 31, 2014, the Fund had no net unrelated business income.

The Fund may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Fund had no such tax positions recorded in the consolidated financial statements at December 31, 2014. Generally, the Fund is no longer subject to U.S. federal income tax positions by tax authorities for years before 2011.
Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Use of estimates: The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure 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 could differ from those estimates.

Prior year information: The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Fund’s consolidated financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Subsequent events: The Fund evaluated subsequent events through June 17, 2015, which is the date the consolidated financial statements were available to be issued.

Note 2. Related Party Transactions

During the year ended December 31, 2014, the Fund’s chairman, via his law firm, Vorys, Sater, Seymour & Pease, provided consulting services to the Fund under a services agreement. Total expenses under this agreement were $95,000, plus reimbursable expenses of $31,339. Accounts payable due to the chairman’s law firm for these services were $18,643 at December 31, 2014. In addition, the law firm recorded an additional $322,455 in professional services time by the chairman on behalf of the Fund, which was not billed to or payable by the Fund.

In addition, the Fund paid $24,000 in compensation for services (speaking and advising) provided by a Trustee, Fred Barnes, who has served as a senior fellow since 1992 and was elected to the Board of Trustees in April 2003.

Note 3. Promises to Give

Promises to give at December 31, 2014, consist of the following:

<table>
<thead>
<tr>
<th>Amounts due in</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>$938,820</td>
</tr>
<tr>
<td>One to four years</td>
<td>$100,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,038,820</strong></td>
</tr>
<tr>
<td>Less unamortized discount at 1.5%</td>
<td>2,912</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,035,908</strong></td>
</tr>
</tbody>
</table>
Note 4. **Property and Equipment**

Property and equipment and accumulated depreciation at December 31, 2014, and depreciation expense for the year ended December 31, 2014, are as follows:

<table>
<thead>
<tr>
<th>Estimated Useful Lives</th>
<th>Cost</th>
<th>Accumulated Depreciation</th>
<th>Net</th>
<th>Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings 31 years</td>
<td>$4,920,427</td>
<td>$(1,509,162)</td>
<td>$3,411,265</td>
<td>$163,163</td>
</tr>
<tr>
<td>Furniture and equipment 3 to 10 years</td>
<td>1,651,772</td>
<td>(1,285,673)</td>
<td>366,099</td>
<td>98,878</td>
</tr>
<tr>
<td>Land –</td>
<td>2,327,023</td>
<td>-</td>
<td>2,327,023</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,899,222</strong></td>
<td><strong>$(2,794,835)</strong></td>
<td><strong>$6,104,387</strong></td>
<td><strong>$262,041</strong></td>
</tr>
</tbody>
</table>

Note 5. **Investments**

Investments at December 31, 2014, consist of the following:

- **Equity funds** $10,144,828
- **Fixed income funds** $3,465,818
- **Cash and money market accounts** $1,122,361
- **Beneficial interest in trust** $38,342
- **Corporate bonds** $27,165

**Total** $14,798,514

Investment income for the year ended December 31, 2014, consists of the following:

- **Interest and dividends** $187,707
- **Management fees** $(18,252)
- **Realized and unrealized gains on investments** $730,159

**Total** $899,614

Note 6. **Annuities Payable**

The Fund has received annuity gifts, whereby the donors have contributed assets to the Fund in exchange for the right to receive a fixed-dollar annual return during their lifetime.

The fair value of the annuity gifts over the present value of the liabilities for future payments, determined on an actuarial basis, has been recognized as contributions at the dates of the gifts.
Note 6. Annuities Payable (Continued)

The assets and corresponding liabilities (including payments currently due and the present value of the estimated future actuarial liability to annuitants, reported in accounts payable and accrued expenses) of the gift annuity at December 31, 2014, are as follows:

<table>
<thead>
<tr>
<th>Investments</th>
<th>$291,196</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annuity payable (included with accounts payable and accrued expenses)</td>
<td>$93,120</td>
</tr>
</tbody>
</table>

Note 7. Capital Lease Obligations

The Fund entered into equipment leasing agreements that qualify for capital lease treatment. The aggregate cost and accumulated depreciation of the equipment approximated $142,200 and $41,300, respectively, at December 31, 2014, and the depreciation expense of the leased asset amounted to approximately $28,400 for the year ended December 31, 2014.

Future minimum lease payments remaining are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31.</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>26,168</td>
</tr>
<tr>
<td>2016</td>
<td>19,320</td>
</tr>
<tr>
<td>2017</td>
<td>19,320</td>
</tr>
<tr>
<td>2018</td>
<td>18,382</td>
</tr>
<tr>
<td></td>
<td>83,190</td>
</tr>
<tr>
<td>Less the amount representing interest</td>
<td>(5,971)</td>
</tr>
<tr>
<td></td>
<td>77,219</td>
</tr>
</tbody>
</table>

Note 8. Notes Payable

The Fund has a $3,600,000 loan, which was used to purchase a new building. The note bears a fixed annual interest rate of 6.95% through June 14, 2017, with interest-only payable monthly. Principal is due on demand. If the Fund repays any principal prior to the last day of the relevant interest period, the Fund may incur prepayment penalties as imposed by the lender. The note is generally collateralized by all assets of the Fund, not limited to cash and securities held by the financial institution.

The Fund also obtained a $1.5 million construction demand line of credit to renovate its buildings. The note is generally collateralized by all assets of the Fund, not limited to cash and securities held by the financial institution. The interest rate in effect is the greater of 90-day LIBOR plus 1.50%. LIBOR is the London InterBank Offered Rate for 3, 6, or 12 months (as selected by the Fund). The loan balance at December 31, 2014, was $1,442,585.
Note 9. Board Designated Net Assets

Board designated net assets at December 31, 2014, consist of the following:

<table>
<thead>
<tr>
<th>Fund/Endowment</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engalitcheff Endowment Fund</td>
<td>$10,887,627</td>
</tr>
<tr>
<td>Freedom Center Building Fund</td>
<td>$1,678,593</td>
</tr>
<tr>
<td>David R. and Corinne Watt Jones Fund</td>
<td>$1,027,141</td>
</tr>
<tr>
<td>George Viksnins Scholarship Fund</td>
<td>$136,320</td>
</tr>
<tr>
<td>Manuela Strong Endowment Fund</td>
<td>$62,023</td>
</tr>
<tr>
<td>Fred Barnes Scholarship Fund</td>
<td>$40,315</td>
</tr>
<tr>
<td>Steve and Eileen Berlin Scholarship</td>
<td>$34,502</td>
</tr>
<tr>
<td>Don and Martha Sundquist Scholarship</td>
<td>$31,929</td>
</tr>
<tr>
<td>Randal C. Teague Scholarship Fund</td>
<td>$73,548</td>
</tr>
<tr>
<td>Don Lavoie Scholarship Fund</td>
<td>$26,221</td>
</tr>
<tr>
<td>Kevin Burket Memorial Scholarship Fund</td>
<td>$41,860</td>
</tr>
<tr>
<td>Roger Ream Scholarship Fund</td>
<td>$19,646</td>
</tr>
<tr>
<td>Other Scholarship Funds</td>
<td>$25,960</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14,085,685</strong></td>
</tr>
</tbody>
</table>

The endowments’ return objective and risk parameters: The Fund considers all board designated net assets to be quasi-endowments with an objective of capital preservation and purchasing power protection consistent with the promotion of the long-term financial stability of the Fund. Achievement of this goal will be measured over three-year rolling periods, as well as a complete market cycle. The total return of the portfolio over a complete market cycle should exceed inflation by 5%. A strategic asset allocation policy for the portfolio has been established, based on the belief that individual asset classes exhibit differing behavior under various market conditions and that a multi-asset class portfolio will result in a portfolio with superior risk and return characteristics. This strategic plan for investing the portfolio assets has been established with a time horizon of ten years and will be reviewed each year to determine if it should be modified given existing changes in either the Fund’s needs or the long-term prospects for the capital markets.

Spending policy: The Fund’s annual spending is defined as approximately 5% of the trailing 12-quarter (three-year) market value of the quasi-endowment.

A reconciliation of the endowments for the year ended December 31, 2014, is as follows:

<table>
<thead>
<tr>
<th>Reconciliation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$15,617,955</td>
</tr>
<tr>
<td>Contributions</td>
<td>32,814</td>
</tr>
<tr>
<td>Investment income</td>
<td>934,627</td>
</tr>
<tr>
<td>Appropriation of endowment assets for expenditure</td>
<td>(1,510,000)</td>
</tr>
<tr>
<td>Endowment net assets, end of year</td>
<td>$15,075,396</td>
</tr>
</tbody>
</table>
The Fund for American Studies and Affiliate

Notes to Consolidated Financial Statements

Note 10. Temporarily Restricted Net Assets
Temporarily restricted net assets at December 31, 2014, and additions and net assets released from restrictions for the year ended December 31, 2014, consist of the following:

<table>
<thead>
<tr>
<th>Purpose Restricted</th>
<th>Balance December 31, 2013</th>
<th>Contributions and Investment</th>
<th>Balance December 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dixie Davis Scholarship Fund</td>
<td>$94,883</td>
<td>$5,483</td>
<td>$(3,500)</td>
</tr>
<tr>
<td>Patt Patterson Scholarship Fund</td>
<td>25,617</td>
<td>1,754</td>
<td>-</td>
</tr>
<tr>
<td>Dell Thurmond Woodard Fellowship</td>
<td>138,282</td>
<td>7,757</td>
<td>(8,995)</td>
</tr>
<tr>
<td>Fred and Georganna Long Scholarship Fund</td>
<td>342,840</td>
<td>19,670</td>
<td>(15,000)</td>
</tr>
<tr>
<td>Hunter Hunt Scholarship Fund</td>
<td>175,066</td>
<td>9,988</td>
<td>(8,600)</td>
</tr>
<tr>
<td>Ignacy Jan Paderewski Scholarship Fund</td>
<td>71,059</td>
<td>31,100</td>
<td>(9,995)</td>
</tr>
<tr>
<td>Reach Your Peak Scholarship Fund</td>
<td>29,730</td>
<td>1,783</td>
<td>-</td>
</tr>
<tr>
<td>James Mrazek Scholarship Fund</td>
<td>180,859</td>
<td>10,309</td>
<td>(9,043)</td>
</tr>
<tr>
<td>Alan and Rella Bates Scholarship Fund</td>
<td>181,611</td>
<td>27,515</td>
<td>(5,700)</td>
</tr>
<tr>
<td>David Martin Scholarship Fund</td>
<td>55,167</td>
<td>8,445</td>
<td>(2,758)</td>
</tr>
<tr>
<td>Other scholarships</td>
<td>579,026</td>
<td>1,739,723</td>
<td>(1,497,640)</td>
</tr>
<tr>
<td>Eben Tisdale Fellowship</td>
<td>377,413</td>
<td>45,386</td>
<td>(44,975)</td>
</tr>
<tr>
<td>Neal B. Freeman Lecture Fund</td>
<td>-</td>
<td>100,000</td>
<td>-</td>
</tr>
<tr>
<td>FTE Programs</td>
<td>280,300</td>
<td>546,267</td>
<td>(398,800)</td>
</tr>
</tbody>
</table>

| Time Restricted                                      | 12,509                    | 200,000                       | (20,441)                   | 192,068                   |
| Promises to give                                     |                           |                               |                           |                           |

$2,544,362  $2,755,180  $(2,025,447)  $3,274,095

Note 11. Permanently Restricted Net Assets
Permanently restricted net assets are subject to donor-imposed restrictions requiring that the principal be invested in perpetuity. Permanently restricted net assets at December 31, 2014, consisted of a split-interest agreement called the H.L. Harris Endowment (the Endowment). George Mason University holds the assets of the Endowment in an agency capacity for the sole benefit of the Fund. The value of the Endowment was $38,342 at December 31, 2014.
Note 12. Commitments

The Fund has entered into a lease agreement for student housing space through July 2016. The future minimum lease payments under the operating lease agreements are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$ 736,045</td>
</tr>
<tr>
<td>2016</td>
<td>247,359</td>
</tr>
<tr>
<td></td>
<td>$ 983,404</td>
</tr>
</tbody>
</table>

The Fund also entered into an agreement with a University, effective October 2012, for three years to collaborate with the Fund on the delivery of high quality courses in the arts and humanities. This contract required the Fund to advance $450,000 to cover start-up costs, etc. This advance was reduced during the year by $200,000; $250,000 will remain on deposit with the University throughout the term of the agreement.

Note 13. Retirement Plan

TFAS’ employees are eligible to participate in The Fund for American Studies Defined Contribution and Retirement Plan (the Plan), as long as they are salaried employees. Employees can make voluntary tax-deferred contributions up to specified limits. The Fund matches 100% of the first 3% of salary deferred and 50% of the next 2% of salary deferred, after the employee completes one year of service. In addition, the Fund makes an employer-elected contribution to employees. The Fund’s total contribution to the Plan was $70,437 for the year ended December 31, 2014.

TFAS also established a 457(b) deferred compensation plan for its President in 2011. No contributions were made for the year ended December 31, 2014.

FTE maintains a retirement plan (the FTE Plan), under Internal Revenue Section 403(b), that is available to all active employees of FTE. FTE contributes to the FTE Plan at a rate of 10% of the employee’s total compensation. Total contributions to the FTE Plan charged to expense were $49,077 for the year ended December 31, 2014.

Note 14. Fair Value Measurements

The Fund follows the Fair Value Measurement Topic of the ASC. This topic establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. The topic applies to all assets and liabilities that are being measured and reported on a fair value basis. The topic requires new disclosure that establishes a framework for measuring fair value in GAAP and expands disclosure about fair value measurements. This topic enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The topic requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1 Quoted market prices in active markets for identical assets or liabilities.
- Level 2 Observable market-based inputs or unobservable inputs corroborated by market data.
- Level 3 Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Fund performs a detailed analysis of the assets and liabilities that are subject to the topic. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.
Note 14. Fair Value Measurements (Continued)
The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy at December 31, 2014:

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large Blend</td>
<td>8,036,311</td>
<td>8,036,311</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign Large Blend</td>
<td>857,684</td>
<td>857,684</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mid-Cap Blend</td>
<td>615,310</td>
<td>615,310</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pacific/Asia ex-Japan Stk</td>
<td>391,758</td>
<td>391,758</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Large Growth</td>
<td>88,445</td>
<td>88,445</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial securities</td>
<td>65,071</td>
<td>65,071</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Moderate Allocation</td>
<td>26,496</td>
<td>26,496</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Large Value</td>
<td>22,923</td>
<td>22,923</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign Large Growth</td>
<td>21,694</td>
<td>21,694</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mid-Cap Growth</td>
<td>11,080</td>
<td>11,080</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Small Growth</td>
<td>8,056</td>
<td>8,056</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,144,828</td>
<td>10,144,828</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fixed Income Securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ultrashort bond</td>
<td>2,612,553</td>
<td>2,612,553</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intermediate term bond</td>
<td>819,678</td>
<td>819,678</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Short term bond</td>
<td>33,587</td>
<td>33,587</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate bonds (a)</td>
<td>27,165</td>
<td>-</td>
<td>27,165</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,492,983</td>
<td>3,465,818</td>
<td>27,165</td>
<td>-</td>
</tr>
<tr>
<td>Money Market Accounts</td>
<td>1,122,361</td>
<td>1,122,361</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Beneficial Interest in Trust</td>
<td>38,342</td>
<td>-</td>
<td>-</td>
<td>38,342</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$14,798,514</td>
<td>$14,733,007</td>
<td>$27,165</td>
<td>$38,342</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred compensation</td>
<td>$38,782</td>
<td>$ -</td>
<td>$38,782</td>
<td>-</td>
</tr>
</tbody>
</table>

(a) Based on its analysis of the nature and risk of these investments, the Fund has determined that presenting them as a single class is appropriate.

Equity securities, multi-strategy bond funds and money market accounts are classified as Level 1 instruments, as they are actively traded on public exchanges. Corporate bonds are priced based on their stated interest rates and quality ratings. The interest and quality ratings are observable at commonly quoted intervals for the full term of the instruments, and are therefore, considered Level 2 items. The Fund’s deferred compensation is based on observable inputs of the related assets and is, therefore, considered a Level 2 item.
Independent Auditor’s Report
on the Supplementary Information

To the Board of Trustees
The Fund for American Studies
Washington, D.C.

We have audited the consolidated financial statements of The Fund for American Studies and Affiliate (the Fund) as of and for the year ended December 31, 2014, and have issued our report thereon, which contained an unmodified opinion on those consolidated financial statements. See pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole.

The consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of activities of the individual entities and is not a required part of the consolidated financial statements. The consolidating 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.

Washington, D.C.
June 17, 2015
# The Fund for American Studies and Affiliate

## Consolidating Balance Sheet

December 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>TFAS</th>
<th>FTE</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$374,889</td>
<td>$1,127,237</td>
<td>$-</td>
<td>$1,502,126</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>192,537</td>
<td>22,697</td>
<td>(69,945)</td>
<td>145,289</td>
</tr>
<tr>
<td>Promises to Give, Net</td>
<td>621,372</td>
<td>414,536</td>
<td>-</td>
<td>1,035,908</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>254,865</td>
<td>51,200</td>
<td>-</td>
<td>306,065</td>
</tr>
<tr>
<td>Property and Equipment, Net</td>
<td>6,080,564</td>
<td>23,823</td>
<td>-</td>
<td>6,104,387</td>
</tr>
<tr>
<td>Investments</td>
<td>14,733,485</td>
<td>65,029</td>
<td>-</td>
<td>14,798,514</td>
</tr>
<tr>
<td>Deposits</td>
<td>250,000</td>
<td>-</td>
<td>-</td>
<td>250,000</td>
</tr>
<tr>
<td>Cash Surrender Value – Life Insurance</td>
<td>22,999</td>
<td>-</td>
<td>-</td>
<td>22,999</td>
</tr>
<tr>
<td></td>
<td>$22,530,711</td>
<td>$1,704,522</td>
<td>$ (69,945)</td>
<td>$24,165,288</td>
</tr>
</tbody>
</table>

|                              |       |                |                    |             |
| **Liabilities and Net Assets** |      |                |                    |             |
| Liabilities                  |       |                |                    |             |
| Accounts payable and accrued expenses | $348,345 | $280,196   | $ (69,945)         | $558,596    |
| Deferred revenue             | 99,055   | -           | -                  | 99,055      |
| Capital lease obligations    | 70,371   | 6,848       | -                  | 77,219      |
| Notes payable                | 5,042,585 | -           | -                  | 5,042,585   |
|                              | 5,560,356 | 287,044    | (69,945)           | 5,777,455   |

| Net Assets                   |       |                |                    |             |
| Unrestricted                 |       |                |                    |             |
| Undesignated                 | -     | 989,711       | -                  | 989,711     |
| Board designated             | 14,085,685 | -            | -                  | 14,085,685  |
|                              | 14,085,685 | 989,711    | -                  | 15,075,396  |
| Temporarily restricted        | 2,846,328 | 427,767     | -                  | 3,274,095   |
| Permanently restricted        | 38,342   | -           | -                  | 38,342      |
|                              | 16,970,355 | 1,417,478  | -                  | 18,387,833  |

|                              |       |                |                    |             |
|                              | $22,530,711 | $1,704,522 | $ (69,945)         | $24,165,288 |
The Fund for American Studies and Affiliate

Consolidating Statement of Activities
Year Ended December 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>TFAS</th>
<th>FTE</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue and Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition, registration, housing and other fees</td>
<td>$3,701,042</td>
<td>$488,328</td>
<td>-</td>
<td>$4,189,370</td>
</tr>
<tr>
<td>Less scholarships granted</td>
<td>(1,601,443)</td>
<td>-</td>
<td>-</td>
<td>(1,601,443)</td>
</tr>
<tr>
<td></td>
<td>2,099,599</td>
<td>488,328</td>
<td>-</td>
<td>2,587,927</td>
</tr>
<tr>
<td>Contributions</td>
<td>3,851,289</td>
<td>2,637,813</td>
<td>-</td>
<td>6,489,102</td>
</tr>
<tr>
<td>Conference income</td>
<td>30,105</td>
<td>-</td>
<td>-</td>
<td>30,105</td>
</tr>
<tr>
<td>Other income</td>
<td>238,817</td>
<td>-</td>
<td>(69,945)</td>
<td>168,872</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue and support</strong></td>
<td>6,219,810</td>
<td>3,126,141</td>
<td>(69,945)</td>
<td>9,276,006</td>
</tr>
</tbody>
</table>

| **Expenses**                   |               |               |              |                |
| Program services:              |               |               |              |                |
| Engalitcheff Institute on Comparative Political and Economic Systems | 695,336        | -             | -            | 695,336        |
| Institute on Political Journalism | 644,259       | -             | -            | 644,259        |
| Institute on Business and Government Affairs | 602,963       | -             | -            | 602,963        |
| Institute on Economics and International Affairs | 548,562       | -             | -            | 548,562        |
| Institute on Philanthropy and Voluntary Service | 438,811       | -             | -            | 438,811        |
| Legal Studies Institute        | 414,482       | -             | -            | 414,482        |
| Capital Semester               | 1,171,433     | -             | -            | 1,171,433      |
| Foundation for Teaching Economics | 109,031       | 2,043,938     | -            | 2,152,969      |
| American Institute on Political and Economic Systems | 479,132       | -             | -            | 479,132        |
| Asia Institute for Political Economy | 329,081       | -             | -            | 329,081        |
| Tisdale                        | 35,910        | -             | -            | 35,910         |
| Alumni                         | 206,178       | -             | -            | 206,178        |
| Other programs                 | 271,983       | -             | -            | 271,983        |
| Novak Journalism Fellows Program | 529,411       | -             | -            | 529,411        |
| Institute for Leadership in the Americas | 315,960       | -             | -            | 315,960        |
|                                 | 6,792,532     | 2,043,938     | -            | 8,836,470      |
| Supporting services:           |               |               |              |                |
| General and administrative     | 561,068       | 312,726       | (69,945)     | 803,849        |
| Fundraising                    | 1,078,888     | 300,607       | -            | 1,379,495      |
| **Total expenses**             | 8,432,488     | 2,657,271     | (69,945)     | 11,019,814     |

| Change in net assets before investment income and other (losses) gains | (2,212,678) | 468,870 | - | (1,743,808) |

| Investment Income              | 898,023       | 1,591       | -  | 899,614       |
| **Change in net assets**       | (1,314,655)   | 470,461     | -  | (844,194)     |

| **Net Assets**                 |               |               |              |                |
| Beginning                      | 18,285,010    | 947,017       | -            | 19,232,027     |
| Ending                         | $16,970,355   | $1,417,478    | -            | $18,387,833    |