

FORUM ON EDUCATION ABROAD
FINANCIAL REPORT
JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Forum on Education Abroad
Carlisle, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the Forum on Education Abroad, which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Forum on Education Abroad, as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Carlisle, Pennsylvania
November 7, 2018

FORUM ON EDUCATION ABROAD

STATEMENTS OF FINANCIAL POSITION June 30, 2018 and 2017

	2018	2017
ASSETS		
Current Assets		
Cash	\$ 354,100	\$ 484,407
Accounts receivable	196,045	13,253
Pledges receivable	-	20,000
Prepaid expenses	47,248	6,654
Inventory	8,890	4,658
Total current assets	606,283	528,972
Noncurrent Assets		
Investments	1,870,077	1,796,641
Total assets	\$ 2,476,360	\$ 2,325,613
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 382,361	\$ 273,724
Deferred revenue	560,935	328,023
Total current liabilities	943,296	601,747
Net Assets		
Unrestricted		
Undesignated	(347,267)	(97,416)
Board designated - endowment	1,783,041	1,712,573
	1,435,774	1,615,157
Temporarily restricted	97,290	108,709
Total net assets	1,533,064	1,723,866
Total liabilities and net assets	\$ 2,476,360	\$ 2,325,613

See Notes to Financial Statements.

FORUM ON EDUCATION ABROAD

STATEMENTS OF ACTIVITIES Years Ended June 30, 2018 and 2017

	2018		
	Total	Unrestricted	Temporarily Restricted
Changes in Net Assets			
Revenue and Other Support			
Membership fees	\$ 676,115	\$ 676,115	\$ -
Conference income	999,142	999,142	-
Contributions	82,086	82,086	-
Grant revenue	-	-	-
Workshops and seminars	169,645	169,645	-
Other program income	106,094	101,094	5,000
Publication sales	2,856	2,856	-
Interest	343	343	-
Investment income	67,500	64,951	2,549
Release of restricted revenues	-	22,386	(22,386)
Total revenue and other support	2,103,781	2,118,618	(14,837)
Expenses			
Program services			
Programs and resources	647,450	647,450	-
Events and conferences	853,492	853,492	-
Training and education	328,361	328,361	-
	1,829,303	1,829,303	-
Management and general	362,490	362,490	-
Fundraising expenses	74,407	74,407	-
Total expenses	2,266,200	2,266,200	-
Operating income (loss)	(162,419)	(147,582)	(14,837)
Non-operating Income (Loss)			
Unrealized holding gain on investments	75,348	71,930	3,418
Transition and search expenses	(103,731)	(103,731)	-
Total non-operating income (loss)	(28,383)	(31,801)	3,418
Changes in net assets	(190,802)	(179,383)	(11,419)
Net Assets:			
Beginning	1,723,866	1,615,157	108,709
Ending	\$ 1,533,064	\$ 1,435,774	\$ 97,290

See Notes to Financial Statements.

2017		
Total	Unrestricted	Temporarily Restricted
\$ 646,468	\$ 646,468	\$ -
987,290	987,290	-
90,800	90,800	-
1,000	1,000	-
167,292	167,292	-
125,958	125,958	-
2,797	2,797	-
245	245	-
61,999	60,232	1,767
-	75,579	(75,579)
<u>2,083,849</u>	<u>2,157,661</u>	<u>(73,812)</u>
610,263	610,263	-
804,215	804,215	-
353,005	353,005	-
<u>1,767,483</u>	<u>1,767,483</u>	<u>-</u>
302,370	302,370	-
48,783	48,783	-
<u>2,118,636</u>	<u>2,118,636</u>	<u>-</u>
(34,787)	39,025	(73,812)
133,807	128,083	5,724
-	-	-
<u>133,807</u>	<u>128,083</u>	<u>5,724</u>
99,020	167,108	(68,088)
1,624,846	1,448,049	176,797
<u>\$ 1,723,866</u>	<u>\$ 1,615,157</u>	<u>\$ 108,709</u>

FORUM ON EDUCATION ABROAD

STATEMENT OF FUNCTIONAL EXPENSES Year Ended June 30, 2018

	Program Services			Management and General	Fundraising	Total
	Programs and Resources	Events and Conferences	Training and Education			
Management expenses	\$ 520,888	\$ 262,525	\$ 170,580	\$ 168,430	\$ 73,062	\$ 1,195,485
Conference event expense	-	548,693	-	-	-	548,693
Office expense/supplies	1,813	914	594	545	-	3,866
Legal and professional fees	28,503	-	-	40,740	-	69,243
Postage and delivery	5,733	2,889	1,878	1,722	-	12,222
Scholarship donations	10,000	-	-	-	-	10,000
Certification program	-	-	31,863	-	-	31,863
Bank service charges	-	-	-	27,649	-	27,649
Credit card charges	-	-	-	39,779	-	39,779
QUIP expense	-	-	33,313	-	-	33,313
Webinar expenses	-	-	62,998	-	-	62,998
Professional development	-	-	-	2,945	-	2,945
Contributed services	16,515	6,216	6,175	51,635	1,345	81,886
Telephone	871	439	286	-	-	1,596
Advertising	12,933	6,518	4,236	-	-	23,687
Auto and travel expenses	22,718	11,450	7,440	-	-	41,608
Meals and entertainment	-	-	-	16,664	-	16,664
Repairs and maintenance	-	-	-	469	-	469
Investment management fees	-	-	-	11,912	-	11,912
Dues and subscriptions	1,722	868	563	-	-	3,153
Printing and reproduction	25,754	12,980	8,435	-	-	47,169
	<u>\$ 647,450</u>	<u>\$ 853,492</u>	<u>\$ 328,361</u>	<u>\$ 362,490</u>	<u>\$ 74,407</u>	<u>\$ 2,266,200</u>

See Notes to Financial Statements.

FORUM ON EDUCATION ABROAD

STATEMENT OF FUNCTIONAL EXPENSES Year Ended June 30, 2017

	Program Services			Management and General	Fundraising	Total
	Programs and Resources	Events and Conferences	Training and Education			
Management expenses	\$ 506,004	\$ 190,485	\$ 189,144	\$ 126,907	\$ 47,362	\$ 1,059,902
Conference event expense	-	584,662	-	-	-	584,662
Office expense/supplies	1,072	403	401	255	-	2,131
Legal and professional fees	17,036	-	-	22,110	-	39,146
Postage and delivery	3,595	1,353	1,344	856	-	7,148
Scholarship donations	10,000	-	-	-	-	10,000
Certification program	-	-	38,026	-	-	38,026
Bank service charges	-	-	-	21,666	-	21,666
Credit card charges	-	-	-	43,704	-	43,704
QUIP expense	-	-	40,025	-	-	40,025
Webinar expenses	-	-	56,936	-	-	56,936
Professional development	-	-	-	8,024	-	8,024
Contributed services	17,466	6,574	6,531	54,608	1,421	86,600
Telephone	971	366	363	-	-	1,700
Advertising	14,231	5,357	5,321	-	-	24,909
Auto and travel expenses	17,801	6,701	6,656	-	-	31,158
Meeting expense	-	-	-	993	-	993
Meals and entertainment	-	-	-	10,793	-	10,793
Repairs and maintenance	-	-	-	1,513	-	1,513
Investment management fees	-	-	-	10,941	-	10,941
Dues and subscriptions	4,659	1,754	1,741	-	-	8,154
Printing and reproduction	17,428	6,560	6,517	-	-	30,505
	<u>\$ 610,263</u>	<u>\$ 804,215</u>	<u>\$ 353,005</u>	<u>\$ 302,370</u>	<u>\$ 48,783</u>	<u>\$ 2,118,636</u>

See Notes to Financial Statements.

FORUM ON EDUCATION ABROAD

STATEMENTS OF CASH FLOWS Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows From Operating Activities		
Changes in net assets	\$ (190,802)	\$ 99,020
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Unrealized holding gain on investments	(75,348)	(133,807)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(182,792)	7,876
Pledges receivable	20,000	20,000
Prepaid expenses	(40,594)	5,449
Inventory	(4,232)	(2,499)
(Decrease) increase in:		
Accrued expenses	108,637	29,489
Deferred revenue	232,912	(115,297)
Net cash used in operating activities	(132,219)	(89,769)
Cash Flows From Investing Activities		
Purchase of investments - net	1,912	(84,059)
Net decrease in cash	(130,307)	(173,828)
Cash:		
Beginning	484,407	658,235
Ending	\$ 354,100	\$ 484,407

See Notes to Financial Statements.

FORUM ON EDUCATION ABROAD

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies

Nature of Activity: The Forum on Education Abroad (Forum) is the higher education association for education abroad. A 501(c)(3) non-profit association, the Forum is recognized by the U.S. Department of Justice and the Federal Trade Commission as the Standards Development Organization (SDO) for the field of education abroad. The Forum's *Standards of Good Practice* are recognized as the definitive means by which the quality of education abroad programs may be judged. The Forum's over 800 institutional members include U.S. colleges and universities, overseas institutions, consortia, agencies, provider organizations and foundations. The Forum focuses on developing and implementing standards of good practice, encouraging and supporting research initiatives, and offering educational programs and resources to its members. Its mission is to help to improve education abroad programs to benefit the students that participate in them. It is achieving this goal by establishing standards of good practice and quality assurance programs, improving education abroad curricula and promoting data collection and outcomes assessment, all to advocate for high quality education abroad programs.

Basis of Accounting: The Forum prepares its financial statements on the accrual basis of accounting. Under the accrual basis, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses, including functional allocations during the reporting period. Actual results could differ from those estimates.

Restricted and Unrestricted Revenue and Support: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 Statements of Activities as net assets released from restrictions.

In-kind contributions are recorded as support at their estimated fair value at the date of donation. The Forum reports in-kind donations as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Accounts Receivable: Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a regular basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history and current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

FORUM ON EDUCATION ABROAD

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

Promises to Give: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts are computed using the interest method and is included in contribution revenue. Conditional promises to give are not included as support until conditions are substantially met.

Investments and Fair Value: Investments are reported at fair value with realized and unrealized gains and losses included in the Statements of Activities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Deferred Revenue: Deferred revenue consists primarily of membership paid prior to fiscal year end for the upcoming fiscal year, as well as upcoming conference sponsorships and registrations for the conference event occurring in the subsequent fiscal year paid for prior to fiscal year end.

Contributed Services: Contributions of donated services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

Functional Expenses: Expenses directly related to a function are charged to that function. Expenses not directly related to a function are allocated by management to the various functions on a reasonable basis.

Income Taxes: The Forum has received exemption from income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code. On such basis, the Forum will not incur any liability for federal income taxes, except for possible income taxes on unrelated business income.

Management has assessed the Forum's exposure to income taxes at the entity level as a result of uncertain tax positions taken in current and previously filed tax returns. Examples of tax positions taken at the entity level include the continuing validity of its exempt organization status, potential filing requirement for unrelated business income and other tax positions that could result in income tax liabilities to the Forum upon examination by taxing authorities. Presently, management believes that it is more likely than not its tax position will be sustained upon examination, including any appeals and litigation, such that the Forum has no exposure to income tax liabilities from uncertain tax positions. The Forum is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress.

FORUM ON EDUCATION ABROAD

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

Recent Accounting Pronouncements: In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how not-for-profit organizations classify net assets, as well as information presented in financial statements and notes about liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three, current classes of net assets with two new classes, “net assets with donor restrictions” and “net assets without donor restrictions” and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-04 is effective for annual periods beginning after December 15, 2017, with early adoption permitted.

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing, revenue-recognition guidance in accounting principles generally accepted in the United States of America (U.S. GAAP), including industry-specific guidance. More judgement and estimates may be required in the revenue-recognition process when compared to existing U.S. GAAP, including identifying performance obligations in contracts, estimating variable consideration, and allocating transaction prices to each performance obligation. ASU 2014-09, as deferred one year by ASU 2015-14, will be effective for annual reporting periods beginning after December 15, 2018, using either a full-retrospective or retrospective-with-cumulative-effect transition method. Management has not yet selected a transition method and is currently evaluating the effect that the standard will have on the Organization’s financial statements.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. The amendments in this Update are provided to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance, e.g. Topic 606, and (2) determining whether a contribution is conditional. The amendments in this Update are applicable for contributions received or made to annual periods beginning after June 15, 2018 in which an entity is either a public business entity or a not-for-profit that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or over-the-counter market. For all other entities, the amendments in this Update are applicable to annual periods beginning after December 15, 2018. Early adoption of the amendments is permitted. The amendments in this Update are to be applied on a modified prospective basis, although retrospective application is permitted. Under a modified prospective basis, in the first set of financial statements following the effective date, the amendments should be applied to agreements that are either not completed as of the effective date, or entered-into after the effective date. Management is currently evaluating the effect that the amendments will have on the Organization’s financial statements.

Subsequent Events: Subsequent events have been evaluated for potential recognition or disclosure through November 7, 2018, the date the financial statements were available to be issued.

FORUM ON EDUCATION ABROAD

NOTES TO FINANCIAL STATEMENTS

Note 2. Concentration of Credit Risk

The Forum's cash balance(s) with financial institutions, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. The Organization has not experienced any losses and believes it has limited exposure to significant credit risk. Management regularly monitors the financial institutions, along with its cash balances, in an effort to keep potential risk to a minimum.

Note 3. Pledges Receivable

Pledges receivable represent unconditional promises to give. Pledges receivable consist of the following at June 30:

	2018	2017
The AIFS/AIFS Foundation Education Abroad Special Collection	\$ -	\$ 20,000
Less: unamortized discount	-	-
	<u>\$ -</u>	<u>\$ 20,000</u>
Amounts due in:		
Less than one year	\$ -	\$ 20,000
One to five years	-	-
	<u>\$ -</u>	<u>\$ 20,000</u>

Note 4. Deferred Revenue

Deferred revenue consists of membership dues, conference sponsorship fees and other program revenues collected as of June 30, for the next fiscal year as follows:

	2018	2017
Membership dues	\$ 322,380	\$ 328,023
Conference fees	238,555	-
	<u>\$ 560,935</u>	<u>\$ 328,023</u>

FORUM ON EDUCATION ABROAD

NOTES TO FINANCIAL STATEMENTS

Note 5. Management Services

The Forum has contracted with Dickinson College to provide management, development and program services. The contract has been extended through June 30, 2021. As part of the contract, the President of the Forum is employed by Dickinson College and is appointed by the Board of Directors of the Forum. The Forum staff is also provided under the contract, but the hiring decisions are made by the Forum President and the Board of Directors of the Forum. The amounts paid for these services for the fiscal years ended June 30, 2018 and 2017, was \$1,195,485 and \$1,059,902, respectively.

Note 6. Donated Goods and Services

Dickinson College provides the Forum with program and administrative services and other contributed goods and services. The value of the donated goods and services included in the financial statements and corresponding expenditures for the years ended June 30, 2018 and 2017, are as follows:

	2018	2017
Contributions		
Donated facility	\$ 27,483	\$ 26,500
Donated services	54,403	60,100
	<u>\$ 81,886</u>	<u>\$ 86,600</u>
Expenses		
Program	\$ 28,906	\$ 30,571
Management and general	51,635	54,608
Fundraising	1,345	1,421
	<u>\$ 81,886</u>	<u>\$ 86,600</u>

FORUM ON EDUCATION ABROAD

NOTES TO FINANCIAL STATEMENTS

Note 7. Investments/Endowment Funds

The Forum has invested in the Dickinson College Endowment Fund (DCEF) for the purpose of enhancing the growth of its operating account, with the intent that income distributions from the Board Designated Endowment Fund will provide support for the Forum's programming.

During 2014, the Forum established the Special Collection Fund which is invested in the DCEF for the purpose of obtaining, developing and maintaining historical artifacts related to the education abroad field of study.

The Forum's investments consist of the following at June 30:

	2018	2017
Dickinson College Endowment Fund		
Endowed Fund	\$ 1,783,041	\$ 1,712,573
Special Collections Fund	87,036	84,068
	<u>\$ 1,870,077</u>	<u>\$ 1,796,641</u>

Interpretation of Relevant Law

FASB Staff Position No. 117-1, Endowments of Not-for-Profit Organizations: Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act [UPMIFA] and Enhanced Disclosures for all Endowment Funds, primarily provides guidance on accounting for donor restricted endowment funds subject to UPMIFA. The state of Pennsylvania has not adopted UPMIFA. Nonprofit corporations in Pennsylvania follow Act 141. Under Act 141, a nonprofit corporation can elect to adopt and follow a "total return" investment policy, i.e., a policy to seek the best total return on the principal whether from capital appreciation, earnings or both. Pennsylvania law permits the Board of Directors to make an election to annually appropriate for expenditure a selected percentage between 2% and 7% of the fair value of the assets related to donor-restricted endowment funds averaged over a period of three or more preceding years, provided the Board has determined that such percentage is consistent with the long-term preservation of the real value of such assets.

Return Objective and Risk Parameters

The Forum has adopted investment and spending policies of the DCEF that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy the endowment assets are invested in a manner that is intended to produce results that exceed the endowment spending rate plus inflation, defined as the Consumer Price Index plus 1%, while assuming a moderate level of investment risk.

FORUM ON EDUCATION ABROAD

NOTES TO FINANCIAL STATEMENTS

Note 7. Investments/Endowment Funds (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Forum relies on a total return strategy of the DCEF in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The DCEF targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy

If the Forum requests it, a distribution from the Board Designated Endowment Fund will be made if the Forum's cash reserves total less than six months of estimated operating expenses. At such time, the spendable amount will be that percentage of the total Fund which the DCEF would consider available for spending from the overall DCEF under the spending policies then in effect. Any portion of the spendable amount not distributed in any year shall be added to the principal of the Forum's Board Designated Endowment Fund. The Forum may decide to withdraw a portion of or the entire amount of the Fund from the DCEF, in which case such amount will be deposited in the Forum operating account. The Forum President or Chair of the Board may authorize a withdrawal. Should the Forum withdraw its investment from the Fund, regardless of when such withdrawal occurs, the market value of the investment will be calculated as of the end of the previous month. The board approved a spending policy of 4.25% for the years ended June 30, 2018 and 2017, \$79,412 and \$72,940 were appropriated for spending in 2018 and 2017, respectively.

Endowment Net Asset Composition as of June 30, 2018:

	Unrestricted	Temporarily Restricted	Total
Dickinson College Endowment Fund	\$ 1,783,041	\$ 87,036	\$ 1,870,077

FORUM ON EDUCATION ABROAD

NOTES TO FINANCIAL STATEMENTS

Note 7. Investments/Endowment Funds (Continued)

Changes in Endowment Net Assets for the year ended June 30, 2018:

	Unrestricted	Temporarily Restricted	Total
Endowment net assets, beginning of year	\$ 1,712,573	\$ 84,068	\$ 1,796,641
Investment return:			
Investment income	64,951	2,549	67,500
Unrealized gain	71,930	3,418	75,348
Total investment return	136,881	5,967	142,848
Transfer in / contribution	10,000	-	10,000
Transfer out / withdrawal	(76,413)	(2,999)	(79,412)
Net Transfer activity	(66,413)	(2,999)	(69,412)
Endowment net assets, end of year	\$ 1,783,041	\$ 87,036	\$ 1,870,077

Endowment Net Asset Composition as of June 30, 2017:

	Unrestricted	Temporarily Restricted	Total
Dickinson College Endowment Fund	\$ 1,712,573	\$ 84,068	\$ 1,796,641

Changes in Endowment Net Assets for the year ended June 30, 2017:

	Unrestricted	Temporarily Restricted	Total
Endowment net assets, beginning of year	\$ 1,520,119	\$ 58,656	\$ 1,578,775
Investment return:			
Investment income	60,232	1,767	61,999
Unrealized loss	128,083	5,724	133,807
Total investment return	188,315	7,491	195,806
Transfer in / contribution	75,000	20,000	95,000
Transfer out / withdrawal	(70,861)	(2,079)	(72,940)
Net Transfer activity	4,139	17,921	22,060
Endowment net assets, end of year	\$ 1,712,573	\$ 84,068	\$ 1,796,641

FORUM ON EDUCATION ABROAD

NOTES TO FINANCIAL STATEMENTS

Note 8. Fair Value Measurements

Financial Accounting Standards Board ASC 820, *Fair Value Measurement Topic*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that is observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The assets that are recorded at fair value on a recurring basis consist of the investment in the DCEF. The fair value of the DCEF is derived from unitizing the fair value of the underlying investments owned by the fund. The unitized fair value is supplied to the Forum by the DCEF fund manager on a monthly basis. Inputs to the valuation methodology that are significant to the fair value measurement are unobservable and thus deemed to be Level 3 inputs.

The table below sets forth a summary of changes in the fair value of the Forum's investment in the Dickinson College Endowment Fund (Level 3 assets) for the years ended June 30, 2018 and 2017.

	2018	2017
Balance, beginning of year	\$ 1,796,641	\$ 1,578,775
Purchases, sales, issuances and settlements (net)	(1,912)	84,059
Unrealized gain	75,348	133,807
Balance, end of year	<u>\$ 1,870,077</u>	<u>\$ 1,796,641</u>

FORUM ON EDUCATION ABROAD

NOTES TO FINANCIAL STATEMENTS

Note 9. Temporarily Restricted Net Assets

The Forum has the following temporarily restricted net assets as of June 30:

	2018	2017
The AIFS/AIFS Foundation Education Abroad Special Collection	\$ 87,036	\$ 102,655
Ron Koehn Conference Grant Award	5,254	6,054
Sara's Wish Foundation scholarships	5,000	-
	<u>\$ 97,290</u>	<u>\$ 108,709</u>

The AIFS/AIFS Foundation Education Abroad Special Collection fund was established to obtain, develop and maintain historical artifacts related to the education abroad field of study. Earnings from the fund are restricted for the purposes set forth above.

The Ron Koehn Conference Grant Award will be given to faculty members or education abroad colleagues who have been especially effective in contributing to innovations in education abroad program design. Award winners receive a stipend that will help to underwrite the costs of their attendance at the Forum's Annual Conference.

The Sara's Wish Foundation provided funds for scholarships for the Professional Certification in Education Program.