

**FORUM ON EDUCATION ABROAD**  
**FINANCIAL REPORT**  
**JUNE 30, 2017**

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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, 2017 and 2016, 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, 2017 and 2016, 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  
December 19, 2017

## FORUM ON EDUCATION ABROAD

### STATEMENTS OF FINANCIAL POSITION June 30, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
Current Assets		
Cash	\$ 484,407	\$ 658,235
Accounts receivable	13,253	21,129
Pledges receivable	20,000	40,000
Prepaid expenses	6,654	12,103
Inventory	4,658	2,159
<b>Total current assets</b>	<b>528,972</b>	<b>733,626</b>
Noncurrent Assets		
Investments	1,796,641	1,578,775
<b>Total assets</b>	<b>\$ 2,325,613</b>	<b>\$ 2,312,401</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 273,724	\$ 244,235
Deferred revenue	328,023	443,320
<b>Total current liabilities</b>	<b>601,747</b>	<b>687,555</b>
Net Assets		
Unrestricted		
Undesignated	(97,416)	(79,534)
Board designated - program	-	7,464
Board designated - endowment	1,712,573	1,520,119
	<b>1,615,157</b>	<b>1,448,049</b>
Temporarily restricted	108,709	176,797
<b>Total net assets</b>	<b>1,723,866</b>	<b>1,624,846</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,325,613</b>	<b>\$ 2,312,401</b>

See Notes to Financial Statements.

## FORUM ON EDUCATION ABROAD

### STATEMENTS OF ACTIVITIES Years Ended June 30, 2017 and 2016

	2017		
	Total	Unrestricted	Temporarily Restricted
<b>Changes in Net Assets</b>			
<b>Revenue and Other Support</b>			
Membership fees	\$ 646,468	\$ 646,468	\$ -
Conference income	987,290	987,290	-
Contributions	90,800	90,800	-
Grant revenue	1,000	1,000	-
Workshops and seminars	167,292	167,292	-
Other program income	125,958	125,958	-
Publication sales	2,797	2,797	-
Interest	245	245	-
Investment income	61,999	60,232	1,767
Other income	-	-	-
Release of restricted revenues	-	75,579	(75,579)
<b>Total revenue and other support</b>	<b>2,083,849</b>	<b>2,157,661</b>	<b>(73,812)</b>
<b>Expenses</b>			
<b>Program services</b>			
Programs and resources	610,263	610,263	-
Events and conferences	804,215	804,215	-
Training and education	353,005	353,005	-
	<b>1,767,483</b>	<b>1,767,483</b>	<b>-</b>
Management and general	302,370	302,370	-
Fundraising expenses	48,783	48,783	-
<b>Total expenses</b>	<b>2,118,636</b>	<b>2,118,636</b>	<b>-</b>
<b>Non-operating Income (Loss)</b>			
Unrealized holding gain (loss) on investments	133,807	128,083	5,724
<b>Changes in net assets</b>	<b>99,020</b>	<b>167,108</b>	<b>(68,088)</b>
<b>Net Assets:</b>			
Beginning	1,624,846	1,448,049	176,797
Ending	<b>\$ 1,723,866</b>	<b>\$ 1,615,157</b>	<b>\$ 108,709</b>

See Notes to Financial Statements.

2016		
Total	Unrestricted	Temporarily Restricted
\$ 614,811	\$ 614,811	\$ -
844,934	844,934	-
86,878	86,600	278
72,000	-	72,000
173,204	173,204	-
106,175	106,175	-
2,387	2,387	-
335	335	-
51,937	50,952	985
16	16	-
-	73,576	(73,576)
<u>1,952,677</u>	<u>1,952,990</u>	<u>(313)</u>
592,802	592,802	-
748,306	748,306	-
340,848	340,848	-
<u>1,681,956</u>	<u>1,681,956</u>	<u>-</u>
280,601	280,601	-
47,404	47,404	-
<u>2,009,961</u>	<u>2,009,961</u>	<u>-</u>
(136,906)	(131,984)	(4,922)
(194,190)	(188,955)	(5,235)
1,819,036	1,637,004	182,032
<u>\$ 1,624,846</u>	<u>\$ 1,448,049</u>	<u>\$ 176,797</u>

## 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

### STATEMENT OF FUNCTIONAL EXPENSES Year Ended June 30, 2016

	Program Services			Management and General	Fundraising	Total
	Programs and Resources	Events and Conferences	Training and Education			
Management expenses	\$ 469,930	\$ 182,743	\$ 176,269	\$ 105,903	\$ 45,691	\$ 980,536
Conference event expense	-	531,728	-	-	-	531,728
Office expense/supplies	2,813	1,094	1,055	600	-	5,562
Legal and professional fees	25,436	-	-	31,199	-	56,635
Postage and delivery	1,468	571	550	313	-	2,902
Scholarship donations	10,000	-	-	-	-	10,000
Certification program	-	-	28,860	-	-	28,860
Bank service charges	-	-	-	27,146	-	27,146
Credit card charges	-	-	-	28,542	-	28,542
Capacity review	1,000	-	-	-	-	1,000
QUIP expense	-	-	29,532	-	-	29,532
Grant expenses	142	275	-	-	-	417
Webinar expenses	-	-	73,818	-	-	73,818
Professional development	-	-	-	11,512	-	11,512
Contributed services	17,376	6,758	6,518	54,235	1,713	86,600
Telephone	457	178	171	-	-	806
Advertising	26,551	10,326	9,960	-	-	46,837
Auto and travel expenses	11,584	4,505	4,345	-	-	20,434
Meeting expense	-	-	-	216	-	216
Meals and entertainment	-	-	-	10,506	-	10,506
Repairs and maintenance	-	-	-	1,264	-	1,264
Investment management fees	-	-	-	9,165	-	9,165
Dues and subscriptions	2,849	1,108	1,069	-	-	5,026
Printing and reproduction	23,196	9,020	8,701	-	-	40,917
	<u>\$ 592,802</u>	<u>\$ 748,306</u>	<u>\$ 340,848</u>	<u>\$ 280,601</u>	<u>\$ 47,404</u>	<u>\$ 2,009,961</u>

See Notes to Financial Statements.

## FORUM ON EDUCATION ABROAD

### STATEMENTS OF CASH FLOWS Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows From Operating Activities		
Changes in net assets	\$ 99,020	\$ (194,190)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Unrealized holding (gain) loss on investments	(133,807)	136,906
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	7,876	(19,624)
Pledges receivable	20,000	9,722
Prepaid expenses	5,449	(7,149)
Inventory	(2,499)	(1,481)
(Decrease) increase in:		
Accrued expenses	29,489	205,936
Deferred revenue	(115,297)	135,612
<b>Net cash (used in) provided by operating activities</b>	<b>(89,769)</b>	<b>265,732</b>
Cash Flows From Investing Activities		
Purchase of investments - net	(84,059)	(110,835)
<b>Net (decrease) increase in cash</b>	<b>(173,828)</b>	<b>154,897</b>
Cash:		
Beginning	658,235	503,338
Ending	\$ 484,407	\$ 658,235

See Notes to Financial Statements.

## FORUM ON EDUCATION ABROAD

### NOTES TO FINANCIAL STATEMENTS

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#### **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

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#### **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.

Subsequent Events: Subsequent events have been evaluated for potential recognition or disclosure through December 19, 2017, the date the financial statements were available to be issued.

## FORUM ON EDUCATION ABROAD

### NOTES TO FINANCIAL STATEMENTS

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#### 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:

	2017	2016
The AIFS/AIFS Foundation Education Abroad Special Collection	\$ 20,000	\$ 40,000
Less: unamortized discount	-	-
	<u>\$ 20,000</u>	<u>\$ 40,000</u>
Amounts due in:		
Less than one year	\$ 20,000	\$ 40,000
One to five years	-	-
	<u>\$ 20,000</u>	<u>\$ 40,000</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. Deferred revenue consists of the following as of June 30:

	2017	2016
Membership dues	\$ 328,023	\$ 307,567
Conference fees	-	135,753
	<u>\$ 328,023</u>	<u>\$ 443,320</u>

## FORUM ON EDUCATION ABROAD

### NOTES TO FINANCIAL STATEMENTS

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#### 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, 2017 and 2016, was \$1,059,902 and \$980,536, respectively.

Included in payments to Dickinson College was \$72,000 for the reimbursement of wages and benefits of an employee under the American Council of Learned Societies Public Fellows Program during the fiscal year ended June 30, 2017.

#### 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, 2017 and 2016, are as follows:

	2017	2016
Contributions		
Donated facility	\$ 26,500	\$ 26,500
Donated services	60,100	60,100
	<u>\$ 86,600</u>	<u>\$ 86,600</u>
Expenses		
Program	\$ 30,571	\$ 30,652
Management and general	54,608	54,235
Fundraising	1,421	1,713
	<u>\$ 86,600</u>	<u>\$ 86,600</u>

## FORUM ON EDUCATION ABROAD

### NOTES TO FINANCIAL STATEMENTS

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#### 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:

	2017	2016
Dickinson College Endowment Fund		
Endowed Fund	\$ 1,712,573	\$ 1,520,119
Special Collections Fund	84,068	58,656
	<u>\$ 1,796,641</u>	<u>\$ 1,578,775</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

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#### 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, 2017 and 2016. \$72,940 and \$61,102 were appropriated for spending in 2017 and 2016, respectively.

##### Endowment Net Asset Composition as of June 30, 2017:

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



## FORUM ON EDUCATION ABROAD

### NOTES TO FINANCIAL STATEMENTS

#### Note 7. Investments/Endowment Funds (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently 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 gain	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

Endowment Net Asset Composition as of June 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dickinson College Endowment Fund	\$ 1,520,119	\$ 58,656	\$ -	\$ 1,578,775

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 1,561,094	\$ 43,752	\$ -	\$ 1,604,846
Investment return:				
Investment income	50,952	985	-	51,937
Unrealized loss	(131,984)	(4,922)	-	(136,906)
Total investment return	(81,032)	(3,937)	-	(84,969)
Transfer in \ contribution	100,000	20,000	-	120,000
Transfer out \ withdrawal	(59,943)	(1,159)	-	(61,102)
Net Transfer activity	40,057	18,841	-	58,898
Endowment net assets, end of year	\$ 1,520,119	\$ 58,656	\$ -	\$ 1,578,775

## FORUM ON EDUCATION ABROAD

### NOTES TO FINANCIAL STATEMENTS

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#### 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, 2017 and 2016.

	2017	2016
Balance, beginning of year	\$ 1,578,775	\$ 1,604,846
Purchases, sales, issuances and settlements (net)	84,059	110,835
Unrealized gains (losses)	133,807	(136,906)
Balance, end of year	<u>\$ 1,796,641</u>	<u>\$ 1,578,775</u>

## FORUM ON EDUCATION ABROAD

### NOTES TO FINANCIAL STATEMENTS

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#### Note 9. Designated Net Assets - Program

The designated net assets - program consist of the following at June 30:

	2017	2016
QUIP Special	\$ -	\$ 7,464

#### Note 10. Temporarily Restricted Net Assets

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

	2017	2016
Ron Koehn Conference Grant Award	\$ 6,054	\$ 7,554
American Council of Learned Societies Public Fellows Program	-	72,000
The AIFS/AIFS Foundation Education Abroad Special Collection	102,655	97,243
	<u>\$ 108,709</u>	<u>\$ 176,797</u>

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 American Council of Learned Societies Public Fellow Program is to provide a fellowship stipend and the total cost of the Fellow's health insurance. The program provides the Forum with a full-time Associate Director to work on a wide range of projects and initiatives, and ran from July 1, 2015 to June 30, 2017.

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.