

Combined Financial Statements

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE

SEPTEMBER 30, 2015 AND 2014



LATIN AMERICAN
STUDIES ASSOCIATION





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LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
SEPTEMBER 30, 2015 AND 2014

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statements of Cash Flows	6
Notes to Financial Statements	7
SUPPLEMENTAL INFORMATION	
Combining Statements of Financial Position	16
Combining Statements of Activities	18



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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Executive Director of
Latin American Studies Association and Affiliate
Pittsburgh, Pennsylvania

We have audited the accompanying combined financial statements of Latin American Studies Association and Affiliate, which comprise the combined statements of financial position as of September 30, 2015 and 2014, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Latin American Studies Association and Affiliate as of September 30, 2015 and 2014, and the combined activities and changes in net assets and the combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental information on pages 16 through 19 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Holsinger P.C.

Wexford, Pennsylvania
February 23, 2016

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
 COMBINED STATEMENTS OF FINANCIAL POSITION
 SEPTEMBER 30, 2015 AND 2014

ASSETS

	September 30,	
	2015	2014
Current Assets:		
Cash and cash equivalents	\$ 1,657,528	\$ 1,751,056
Accounts receivable	76,822	15,318
Prepaid expenses	1,383	1,367
Prepaid Congress expenses	11,550	10,995
Total Current Assets	1,747,283	1,778,736
Equipment, net	7,475	14,871
Investments	5,397,031	5,260,245
Total Assets	\$ 7,151,789	\$ 7,053,852

LIABILITIES AND NET ASSETS

Current Liabilities:		
Payables and accrued expenses	\$ 32,977	\$ 77,713
Deferred revenue	312,831	161,061
Total Current Liabilities	345,808	238,774
Net Assets:		
Unrestricted:		
Operating	2,730,402	2,404,292
Board designated	1,652,754	2,002,527
Temporarily restricted	46,072	89,431
Permanently restricted	2,376,753	2,318,828
Total Net Assets	6,805,981	6,815,078
Total Liabilities and Net Assets	\$ 7,151,789	\$ 7,053,852

The accompanying notes are an integral part of these combined financial statements.

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
 COMBINED STATEMENT OF ACTIVITIES
 YEAR ENDED SEPTEMBER 30, 2015

	Unrestricted				Total
	Operating	Board Designated	Temporarily Restricted	Permanently Restricted	
Revenue:					
Grants	\$ -	\$ -	\$ 55,025	\$ 28,350	\$ 83,375
Individual contributions	-	-	20,333	7,397	27,730
Membership and section dues	830,182	-	-	22,178	852,360
Congress registrations	579,064	-	-	-	579,064
Congress exhibits and advertisements	96,535	-	-	-	96,535
Other Congress revenue	11,000	-	-	-	11,000
Investment income	16,990	99,809	-	-	116,799
Net realized and unrealized gains (losses)	4,228	(291,040)	-	-	(286,812)
Royalties and subsidiary rights	88,425	-	-	-	88,425
Meeting planning services	95,257	-	-	-	95,257
Other revenue	20,944	-	-	-	20,944
Net assets released from restrictions	118,717	-	(118,717)	-	-
Total Revenue	1,861,342	(191,231)	(43,359)	57,925	1,684,677
Expenses:					
Congress	229,173	-	-	-	229,173
Congress travel grants	133,264	104,551	-	-	237,815
Salaries and benefits	552,801	-	-	-	552,801
Postage, printing and copying	90,524	-	-	-	90,524
Governance and travel	114,028	-	-	-	114,028
Publication	77,255	-	-	-	77,255
Section expense	48,891	-	-	-	48,891
Consulting and professional services	99,426	-	-	-	99,426
Investment fees	72,336	29,066	-	-	101,402
Special projects - Mellon workshops	-	24,925	-	-	24,925
Special projects - Ford	-	-	-	-	-
Special projects - Otros Saberes	7,567	-	-	-	7,567
Other	42,566	-	-	-	42,566
Office equipment and supplies	21,216	-	-	-	21,216
Training and development	3,127	-	-	-	3,127
Membership and dues	12,007	-	-	-	12,007
Management	85	-	-	-	85
Marketing	16,849	-	-	-	16,849
Depreciation	7,395	-	-	-	7,395
Telephone	4,007	-	-	-	4,007
Insurance	2,715	-	-	-	2,715
Total Expenses	1,535,232	158,542	-	-	1,693,774
Change in Net Assets	326,110	(349,773)	(43,359)	57,925	(9,097)
Net Assets - Beginning of Year	2,404,292	2,002,527	89,431	2,318,828	6,815,078
Net Assets - End of Year	<u>\$ 2,730,402</u>	<u>\$ 1,652,754</u>	<u>\$ 46,072</u>	<u>\$ 2,376,753</u>	<u>\$ 6,805,981</u>

The accompanying notes are an integral part of this combined financial statement.

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
 COMBINED STATEMENT OF ACTIVITIES
 YEAR ENDED SEPTEMBER 30, 2014

	Unrestricted				Total
	Operating	Board Designated	Temporarily Restricted	Permanently Restricted	
Revenue:					
Grants	\$ -	\$ -	\$ 102,000	\$ 9,000	\$ 111,000
Individual contributions	-	-	15,672	33,979	49,651
Membership and section dues	634,878	-	-	-	634,878
Congress registrations	435,240	-	-	-	435,240
Congress exhibits and advertisements	92,220	-	-	-	92,220
Other Congress revenue	18,958	-	-	-	18,958
Investment income	18,262	104,957	-	-	123,219
Net realized and unrealized gains	8,039	282,640	-	-	290,679
Royalties and subsidiary rights	90,449	-	-	-	90,449
Meeting planning services	180,359	-	-	-	180,359
Other revenue	14,975	-	-	-	14,975
Net assets released from restrictions	152,136	-	(152,136)	-	-
Total Revenue	1,645,516	387,597	(34,464)	42,979	2,041,628
Expenses:					
Congress	341,147	-	-	-	341,147
Congress travel grants	128,873	142,200	-	-	271,073
Salaries and benefits	447,495	-	-	-	447,495
Postage, printing and copying	40,961	-	-	-	40,961
Governance and travel	79,510	-	-	-	79,510
Publication	90,213	-	-	-	90,213
Section expense	40,570	-	-	-	40,570
Consulting and professional services	74,336	-	-	-	74,336
Investment fees	16,494	45,690	-	-	62,184
Special projects - Mellon workshops	45,000	-	-	-	45,000
Special projects - Ford	-	24,900	-	-	24,900
Special projects - Otros Saberes	6,436	-	-	-	6,436
Other	29,738	-	-	-	29,738
Office equipment and supplies	19,250	-	-	-	19,250
Training and development	11,702	-	-	-	11,702
Membership and dues	20,415	-	-	-	20,415
Management	15,632	-	-	-	15,632
Marketing	17,360	-	-	-	17,360
Depreciation	8,459	-	-	-	8,459
Telephone	3,261	-	-	-	3,261
Insurance	2,600	-	-	-	2,600
Total Expenses	1,439,452	212,790	-	-	1,652,242
Change in Net Assets	206,064	174,807	(34,464)	42,979	389,386
Net Assets - Beginning of Year	2,198,228	1,827,720	123,895	2,275,849	6,425,692
Net Assets - End of Year	<u>\$ 2,404,292</u>	<u>\$ 2,002,527</u>	<u>\$ 89,431</u>	<u>\$ 2,318,828</u>	<u>\$ 6,815,078</u>

The accompanying notes are an integral part of this combined financial statement.

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
 COMBINED STATEMENTS OF CASH FLOWS
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	September 30,	
	2015	2014
Operating Activities:		
Change in net assets	\$ (9,097)	\$ 389,386
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,395	8,459
Net loss (gain) on investments	286,812	(290,679)
Change in assets and liabilities:		
Accounts receivable	(61,504)	3,114
Prepaid expenses	(16)	24,748
Prepaid Congress expenses	(555)	175
Payables and accrued expenses	(44,736)	(28,286)
Deferred revenue	151,770	10,862
	339,166	(271,607)
 Total adjustments	 339,166	 (271,607)
 Net Cash Provided by Operating Activities	 330,069	 117,779
 Investing Activities:		
Proceeds from dispositions of investments	1,019,904	3,891,612
Purchases of investments	(1,443,501)	(2,946,103)
	(423,597)	945,509
 Net Cash (Used in) Provided by Investing Activities	 (423,597)	 945,509
 (Decrease) Increase in Cash and Cash Equivalents	 (93,528)	 1,063,288
 Cash and Cash Equivalents - Beginning of Year	 1,751,056	 687,768
 Cash and Cash Equivalents - End of Year	 \$ 1,657,528	 \$ 1,751,056

The accompanying notes are an integral part of these combined financial statements.

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 1 - NATURE OF OPERATIONS

Natures of Operations - Latin American Studies Association (the "Association") was organized to provide a forum for addressing matters of common interest to the scholarly profession and to promote effective training, teaching and research in connection with the study of Latin America. The Association fosters intellectual discussion, research, and teaching on Latin America, the Caribbean, and its peoples throughout the Americas, promotes the interests of its diverse membership, encourages civic engagement through network building and public debate, and publishes the Latin American Research Review.

Every year, specialists on Latin America gather at the LASA International Congress ("Congress"). Featuring over 1,000 sessions, including plenary sessions and informal meetings, the Congress is the world's premier forum for expert discussion on Latin America and the Caribbean.

The Association formed a Pennsylvania not-for-profit corporation, MaestroMeetings, Inc., to provide meeting planning services for the Association and unrelated third-party not-for-profit entities. The board is appointed by the Ways and Means Committee of the Latin American Studies Association. MaestroMeetings, Inc. contributes a portion of income to the Association and has received their 501(c)(3) status.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination - The accompanying combined financial statements include the accounts of Latin American Studies Association and MaestroMeetings, Inc. ("Affiliate") (collectively, the "Organization"). Significant intercompany transactions and balances have been eliminated in the combination.

Basis of Presentation - Under accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to three classes of net assets, as follows:

Unrestricted Net Assets - Unrestricted net assets are not subject to donor-imposed stipulations.

Unrestricted - Board Designated Net Assets - These net assets are not subject to donor-imposed stipulations; however, they have been designated by the Board for specific purposes.

Temporarily Restricted Net Assets - Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets - Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently with the use of all or part of the income earned on any related investments for general or specific purposes. The permanently restricted net assets as of September 30, 2015 and 2014 are restricted to be invested in perpetuity.

Investments - Investments are reported at their fair values. The fair values of equity funds are based on quoted market prices. Investments in bond funds are reported at their fair values based on recently executed transactions, market price quotations (where observable), and valuation models.

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015 AND 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Realized gains and losses on disposals of investments are determined by the specific identification method.

Interest and dividend income are recognized as received.

The Association's investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that significant changes in risks in the near term may materially affect the amounts reported in the financial statements.

Cash and Cash Equivalents - All liquid investments with a maturity of three months or less, when purchased, are considered cash equivalents. The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Organization does not believe it is exposed to any significant credit risk on cash. From time to time bank balances exceed FDIC limits.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor or grantor restrictions. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. 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 are reported in the statement of activities as net assets released from restrictions.

Donated Services - Donated services are recognized as contributions if the service (a) creates or enhances nonfinancial assets or requires specialized skills and (b) are performed by people with specialized skills, and would otherwise be purchased by the Association.

Equipment - Equipment is stated at cost if purchased or at fair value if contributed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The Association follows the practice of capitalizing all purchases of equipment in excess of \$5,000. The cost of equipment retired or otherwise disposed of and the related accumulated depreciation is removed from the account and any resulting gain or loss is reflected in current operations. Routine repairs and maintenance costs are expensed as incurred. Renewals and betterments which substantially extend the useful life of an asset are capitalized.

Functional Allocation of Expense - Expenses not directly related to a particular program or supporting services cost center are distributed on a percentage allocation method based on management's judgment.

Accounts Receivable - The Organization uses the specific identification method in estimating for uncollectable accounts. In management's opinion, all accounts were considered collectible as of September 30, 2015 and 2014.

Income Taxes - The Association is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and a similar provision of Pennsylvania state income tax laws. MaestroMeetings, Inc. has applied for their 501(c)(3) status. The Association is obligated to pay income tax on its unrelated business income (as defined). It is management's opinion that there are no activities that would subject the Association to the unrelated business income tax. The Association's Form 990 Return of Organizations Exempt from Income Tax for the years ending September 30, 2014, 2013 and 2012 are subject to examination by the Internal Revenue Service.

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015 AND 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounting for Uncertainty in Income Tax Positions - The Association evaluates uncertain tax positions in accordance with existing accounting principles and makes such accruals and disclosures as might be required. In management's opinion, no accrual for an uncertain tax position was considered necessary as of September 30, 2015 and 2014.

Deferred Revenue - Membership dues and Congress registrations paid in advance for future periods are included in deferred revenue in the accompanying statement of financial position. Membership dues are based upon the member's income, occupation, and place of residence, and may cover more than one year of membership. Membership dues for future periods are included in deferred revenue and recognized in the year of membership.

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, disclosures of contingent assets and liabilities, and revenue and expenses during the year. Actual results could differ from these estimates.

NOTE 3 - ENDOWMENT

The Association follows the Pennsylvania State Act 141 of 1998 ("Act"). The Board of Directors interprets the Act as requiring the preservation of the fair value, as of the original gift date, of the original gift of donor restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) investment income is board-designated until appropriated for expenditure in a manner consistent with the standard of prudence called for in the Act.

Funds with Deficiencies

From time to time the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor or state statutes require the Association to retain as a fund of perpetual duration. The Association's Board will address deficiencies in the fund if the balance falls below the required level and will refrain from using future earnings until the balance of the fund is restored. There were no such deficiencies as of September 30, 2015 and 2014.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the Association while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce growth while assuming a moderate level of investment risk. The Association expects its endowment funds to provide an average rate of return of approximately five percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Association's endowment funds will be invested in ways that, minimize the risks of short-term financial fluctuations, protect their value from erosion due to inflation, and achieve long-term capital growth.

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015 AND 2014

NOTE 3 - ENDOWMENT - Continued

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Association's goal, consistent with its investment objectives, is to maintain or increase the value of the Endowment principal. Accordingly, the Association will normally draw no more than five percent per annum of the Endowment balance. The actual amount of the annual payout will be calculated as a percentage of the average market value of the portfolio for the preceding two years. The Association will make a draw from the Endowment Fund no more than quarterly and at least once every eighteen months, as required.

<u>Endowment Net Asset Composition by Type of Fund</u>	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
As of September 30, 2015:			
Donor-restricted endowment funds	\$ -	\$ 2,181,009	\$ 2,181,009
Board-designated endowment funds	1,658,296	-	1,658,296
	<u>\$ 1,658,296</u>	<u>\$ 2,181,009</u>	<u>\$ 3,839,305</u>
As of September 30, 2014:			
Donor-restricted endowment funds	\$ -	\$ 2,151,434	\$ 2,151,434
Board-designated endowment funds	2,008,069	-	2,008,069
	<u>\$ 2,008,069</u>	<u>\$ 2,151,434</u>	<u>\$ 4,159,503</u>
<u>Changes in Endowment Net Assets</u>	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets as of September 30, 2014	\$ 2,008,069	\$ 2,151,434	\$ 4,159,503
Investment return:			
Investment income	99,809	-	99,809
Net realized and unrealized gain (loss)	(291,040)	-	(291,040)
Investment fees	(29,066)	-	(29,066)
Contributions	-	29,575	29,575
Congress expenses	(104,551)	-	(104,551)
Special projects	(24,925)	-	(24,925)
Endowment net assets as of September 30, 2015	<u>\$ 1,658,296</u>	<u>\$ 2,181,009</u>	<u>\$ 3,839,305</u>

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2015 AND 2014

NOTE 3 - ENDOWMENT - Continued

<u>Changes in Endowment Net Assets</u>	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets as of September 30, 2014	\$ 2,008,069	\$ 2,151,434	\$ 4,159,503
Investment return:			
Investment income	99,809	-	99,809
Net realized and unrealized gain (loss)	(291,040)	-	(291,040)
Investment fees	(29,066)	-	(29,066)
Contributions	-	29,575	29,575
Congress expenses	(104,551)	-	(104,551)
Special projects	(24,925)	-	(24,925)
Endowment net assets as of September 30, 2015	<u>\$ 1,658,296</u>	<u>\$ 2,181,009</u>	<u>\$ 3,839,305</u>

NOTE 4 - NET ASSET RESTRICTIONS

Temporarily restricted net assets are available for the following purposes as of September 30, 2015 and 2014:

	<u>September 30,</u>	
	<u>2015</u>	<u>2014</u>
Mellon-LASA workshop program	\$ -	\$ 18,000
Otros Saberes project	36,892	44,459
Travel grants	4,180	19,472
Life memberships	5,000	7,500
	<u>\$ 46,072</u>	<u>\$ 89,431</u>

Temporarily restricted net assets are held in cash and cash equivalents.

Board designated net assets are available for the following purposes as of September 30, 2015 and 2014:

	<u>September 30,</u>	
	<u>2015</u>	<u>2014</u>
Congress and special Association-linked Projects	\$ 1,152,754	\$ 1,502,527
Contingency/building fund	500,000	500,000
	<u>\$ 1,652,754</u>	<u>\$ 2,002,527</u>

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015 AND 2014

NOTE 4 - NET ASSET RESTRICTIONS - Continued

Permanently restricted net assets are available for the following purposes as of September 30, 2015 and 2014:

	September 30,	
	2015	2014
Endowment funds	\$ 2,181,009	\$ 2,154,134
LASA operations	195,744	164,694
	\$ 2,376,753	\$ 2,318,828

NOTE 5 - INVESTMENTS

Market price observability is impacted by a number of factors, including the type of investment, the characteristics specific to the investment and the state of the marketplace (including the existence and transparency of transactions between market participants). Investments with readily-available actively-quoted prices or for which fair value can be measured from actively-quoted prices in an orderly market will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

Level I - Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments which would generally be included in Level I include listed equity securities and listed derivatives. The Association to the extent that it holds such investments, does not adjust the quoted price for these investments, even in situations where the Association holds large positions and sales could reasonably impact the quoted price.

Level II - Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Fair value is determined through the use of models or other valuation methodologies. The types of investments which would generally be included in this category include publicly-traded securities with restrictions on disposition, debt securities and partnerships that hold Level I assets and real estate held for investment if measured by a current appraisal.

Level III - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgment or estimation by management. The types of investments which would generally be included in this category include debt and equity securities issued by private entities, and real estate held for investment if measured by a current appraisal.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Association's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015 AND 2014

NOTE 5 - INVESTMENTS - Continued

The Association's investments by the fair value hierarchy levels noted above as of September 30, 2015 and 2014 are as follows:

<u>Level I</u>	September 30,	
	2015	2014
Certificates of deposit	\$ 988,468	\$ 430,484
Government securities	-	400,000
Bond funds	843,327	897,043
Common stocks funds	3,565,236	3,532,718
	<u>\$ 5,397,031</u>	<u>\$ 5,260,245</u>

Total investment income (loss) for the years ended September 30, 2015 and 2014 consisted of:

	September 30,	
	2015	2014
Dividends reinvested	\$ 116,799	\$ 123,219
Net realized and unrealized gains	(286,812)	290,679
Investment fees	(101,402)	(62,184)
	<u>\$ (271,415)</u>	<u>\$ 351,714</u>

NOTE 6 - EQUIPMENT

Equipment consists of the following as of September 30, 2015 and 2014:

	September 30,	
	2015	2014
Computers and equipment	\$ 84,612	\$ 84,612
Furniture and fixtures	27,060	27,060
	111,672	111,672
Less: Accumulated Depreciation	(104,197)	(96,801)
	<u>\$ 7,475</u>	<u>\$ 14,871</u>

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015 AND 2014

NOTE 7 - FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses by function for the years ended September 30, 2015 and 2014 were as follows:

	September 30,	
	<u>2015</u>	<u>2014</u>
Program Services:		
Publications	\$ 673,672	\$ 542,721
Congress	466,988	612,220
Special projects	32,492	76,336
Membership and sections	<u>89,964</u>	<u>106,674</u>
	1,263,116	1,337,951
Management and general	257,236	185,161
Fundraising	<u>173,422</u>	<u>129,130</u>
	<u>\$ 1,693,774</u>	<u>\$ 1,652,242</u>

NOTE 8 - DONATED SERVICES

During the years ended September 30, 2015 and 2014, the Association reported contributed salaries and benefits from the University of Pittsburgh of \$51,852. The University also pledged approximately \$52,000 that was recognized as a reduction of salaries and benefits during the year ending September 30, 2015.

NOTE 9 - DONATED FACILITIES

The Association occupies its offices on a rent-free basis from the University of Pittsburgh. The statement of activities does not reflect such donated facilities as support and expenses because they are not considered significant to the financial statements as a whole.

NOTE 10 - CONGRESS EXPENSES

The Association holds a Congress every year, for which expenses have been recorded on the statement of activities for the years ended September 30, 2015 and 2014:

	September 30,	
	<u>2015</u>	<u>2014</u>
Cost to hold Congress	\$ 362,437	\$ 470,020
Congress travel grants provided	<u>104,551</u>	<u>142,200</u>
Deferred Revenue	<u>\$ 466,988</u>	<u>\$ 612,220</u>

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2015 AND 2014

NOTE 11 - DEFERRED REVENUE

Deferred revenue is comprised of membership dues and Congress income. The balance in deferred revenue as of September 30, 2015 and 2014 is:

	September 30,	
	2015	2014
Membership and section dues	\$ 294,636	\$ 154,756
Congress registrations, exhibits and advertisements	18,195	6,305
	\$ 312,831	\$ 161,061

NOTE 12 - SUBSEQUENT EVENTS

Management evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through February 23, 2016 the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
 COMBINING STATEMENT OF FINANCIAL POSITION
 SEPTEMBER 30, 2015

ASSETS

	Latin American Studies Association	Maestro Meetings	Eliminations	Total
Cash and cash equivalents	\$ 1,406,926	\$ 250,602	\$ -	\$ 1,657,528
Accounts receivable	39,223	37,599	-	76,822
Accounts receivable - affiliate	294,467	-	(294,467)	-
Prepaid expenses	1,383	-	-	1,383
Prepaid Congress expenses	11,550	-	-	11,550
	<u>1,753,549</u>	<u>288,201</u>	<u>(294,467)</u>	<u>1,747,283</u>
Total current assets				
Equipment, net	7,475	-	-	7,475
Investments	5,397,031	-	-	5,397,031
	<u>5,397,031</u>	<u>-</u>	<u>-</u>	<u>5,397,031</u>
Total assets	<u>\$ 7,158,055</u>	<u>\$ 288,201</u>	<u>\$ (294,467)</u>	<u>\$ 7,151,789</u>

LIABILITIES AND NET ASSETS

Payables and accrued expenses	\$ 32,977	\$ -	\$ -	\$ 32,977
Accounts payable - affiliate	-	294,467	(294,467)	-
Deferred revenue	312,831	-	-	312,831
	<u>312,831</u>	<u>-</u>	<u>-</u>	<u>312,831</u>
Total liabilities	345,808	294,467	(294,467)	345,808
Net assets				
Unrestricted				
Operating	2,736,668	(6,266)	-	2,730,402
Board designated	1,652,754	-	-	1,652,754
Temporarily restricted	46,072	-	-	46,072
Permanently restricted	2,376,753	-	-	2,376,753
	<u>2,376,753</u>	<u>-</u>	<u>-</u>	<u>2,376,753</u>
Total net assets	<u>6,812,247</u>	<u>(6,266)</u>	<u>-</u>	<u>6,805,981</u>
Total liabilities and net assets	<u>\$ 7,158,055</u>	<u>\$ 288,201</u>	<u>\$ (294,467)</u>	<u>\$ 7,151,789</u>

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
 COMBINING STATEMENT OF FINANCIAL POSITION
 SEPTEMBER 30, 2014

ASSETS

	Latin American Studies Association	Maestro Meetings	Eliminations	Total
Cash and cash equivalents	\$ 1,468,513	\$ 282,543	\$ -	\$ 1,751,056
Accounts receivable	15,318	-	-	15,318
Accounts receivable - affiliate	261,309	-	(261,309)	-
Prepaid expenses	1,367	-	-	1,367
Prepaid Congress expenses	10,995	-	-	10,995
	<u>1,757,502</u>	<u>282,543</u>	<u>(261,309)</u>	<u>1,778,736</u>
Total current assets				
Equipment, net	14,871	-	-	14,871
Investments	5,260,245	-	-	5,260,245
	<u>5,260,245</u>	<u>-</u>	<u>-</u>	<u>5,260,245</u>
Total assets	<u>\$ 7,032,618</u>	<u>\$ 282,543</u>	<u>\$ (261,309)</u>	<u>\$ 7,053,852</u>

LIABILITIES AND NET ASSETS

Payables and accrued expenses	\$ 77,713	\$ -	\$ -	\$ 77,713
Accounts payable - affiliate	-	261,309	(261,309)	-
Deferred revenue	161,061	-	-	161,061
	<u>161,061</u>	<u>-</u>	<u>-</u>	<u>161,061</u>
Total liabilities	238,774	261,309	(261,309)	238,774
Net assets				
Unrestricted				
Operating	2,383,058	21,234	-	2,404,292
Board designated	2,002,527	-	-	2,002,527
Temporarily restricted	89,431	-	-	89,431
Permanently restricted	2,318,828	-	-	2,318,828
	<u>2,318,828</u>	<u>-</u>	<u>-</u>	<u>2,318,828</u>
Total net assets	<u>6,793,844</u>	<u>21,234</u>	<u>-</u>	<u>6,815,078</u>
Total liabilities and net assets	<u>\$ 7,032,618</u>	<u>\$ 282,543</u>	<u>\$ (261,309)</u>	<u>\$ 7,053,852</u>

**LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2015**

	Latin American Studies Association					Maestro Meetings			Total		
	Unrestricted		Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	Operating	Board Designated				Operating	Operating	Board Designated			
Revenue											
Grants	\$ -	\$ -	\$ 55,025	\$ 28,350	\$ 83,375	\$ -	\$ -	\$ -	\$ 55,025	\$ 28,350	\$ 83,375
Individual contributions	-	-	20,333	7,397	27,730	-	-	-	20,333	7,397	27,730
Membership and section dues	830,182	-	-	22,178	852,360	-	830,182	-	-	22,178	852,360
Congress registrations	579,064	-	-	-	579,064	-	579,064	-	-	-	579,064
Congress exhibits and advertisements	96,535	-	-	-	96,535	-	96,535	-	-	-	96,535
Other Congress revenue	11,000	-	-	-	11,000	-	11,000	-	-	-	11,000
Net investment income	16,990	99,809	-	-	116,799	-	16,990	99,809	-	-	116,799
Net realized and unrealized gains (losses) on investments	4,228	(291,040)	-	-	(286,812)	-	4,228	(291,040)	-	-	(286,812)
Royalties and subsidiary rights	88,425	-	-	-	88,425	-	88,425	-	-	-	88,425
Meeting planning services	-	-	-	-	-	95,257	95,257	-	-	-	95,257
Other revenue	20,944	-	-	-	20,944	-	20,944	-	-	-	20,944
Net assets released from restrictions	118,717	-	(118,717)	-	-	-	118,717	-	(118,717)	-	-
Total revenue	1,766,085	(191,231)	(43,359)	57,925	1,589,420	95,257	1,861,342	(191,231)	(43,359)	57,925	1,684,677
Expenses											
Congress	207,700	-	-	-	207,700	21,473	229,173	-	-	-	229,173
Congress travel grants	133,264	104,551	-	-	237,815	-	133,264	104,551	-	-	237,815
Salaries and benefits	496,318	-	-	-	496,318	56,483	552,801	-	-	-	552,801
Postage, printing and copying	90,524	-	-	-	90,524	-	90,524	-	-	-	90,524
Governance and travel	102,893	-	-	-	102,893	11,135	114,028	-	-	-	114,028
Publication	77,255	-	-	-	77,255	-	77,255	-	-	-	77,255
Section expense	48,891	-	-	-	48,891	-	48,891	-	-	-	48,891
Consulting and professional services	90,033	-	-	-	90,033	9,393	99,426	-	-	-	99,426
Investment fees	71,675	29,066	-	-	100,741	661	72,336	29,066	-	-	101,402
Special projects - Mellon workshops	-	-	-	-	-	-	-	-	-	-	-
Special projects - Ford	-	24,925	-	-	24,925	-	-	24,925	-	-	24,925
Special projects - Otros Saberes	7,567	-	-	-	7,567	-	7,567	-	-	-	7,567
Other	40,418	-	-	-	40,418	2,148	42,566	-	-	-	42,566
Office equipment and supplies	16,991	-	-	-	16,991	4,225	21,216	-	-	-	21,216
Training and development	3,127	-	-	-	3,127	-	3,127	-	-	-	3,127
Membership and dues	12,007	-	-	-	12,007	-	12,007	-	-	-	12,007
Management expense	-	-	-	-	-	85	85	-	-	-	85
Marketing	-	-	-	-	-	16,849	16,849	-	-	-	16,849
Depreciation	7,395	-	-	-	7,395	-	7,395	-	-	-	7,395
Telephone	3,702	-	-	-	3,702	305	4,007	-	-	-	4,007
Insurance	2,715	-	-	-	2,715	-	2,715	-	-	-	2,715
Total expenses	1,412,475	158,542	-	-	1,571,017	122,757	1,535,232	158,542	-	-	1,693,774
Increase (decrease) in net assets	353,610	(349,773)	(43,359)	57,925	18,403	(27,500)	326,110	(349,773)	(43,359)	57,925	(9,097)
Net assets, beginning of year	2,383,058	2,002,527	89,431	2,318,828	6,793,844	21,234	2,404,292	2,002,527	89,431	2,318,828	6,815,078
Net assets, end of year	\$ 2,736,668	\$ 1,652,754	\$ 46,072	\$ 2,376,753	\$ 6,812,247	\$ (6,266)	\$ 2,730,402	\$ 1,652,754	\$ 46,072	\$ 2,376,753	\$ 6,805,981

**LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2014**

	Latin American Studies Association					Maestro Meetings			Total		
	Unrestricted		Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	Operating	Board Designated				Operating	Operating	Board Designated			
Revenue											
Grants	\$ -	\$ -	\$ 102,000	\$ 9,000	\$ 111,000	\$ -	\$ -	\$ -	\$ 102,000	\$ 9,000	\$ 111,000
Individual contributions	-	-	15,672	33,979	49,651	-	-	-	15,672	33,979	49,651
Membership and section dues	634,878	-	-	-	634,878	-	634,878	-	-	-	634,878
Congress registrations	435,240	-	-	-	435,240	-	435,240	-	-	-	435,240
Congress exhibits and advertisements	92,220	-	-	-	92,220	-	92,220	-	-	-	92,220
Other Congress revenue	18,958	-	-	-	18,958	-	18,958	-	-	-	18,958
Net investment income	18,262	104,957	-	-	123,219	-	18,262	104,957	-	-	123,219
Net realized and unrealized gains (losses) on investments	8,039	282,640	-	-	290,679	-	8,039	282,640	-	-	290,679
Royalties and subsidiary rights	90,449	-	-	-	90,449	-	90,449	-	-	-	90,449
Meeting planning services	-	-	-	-	-	180,359	180,359	-	-	-	180,359
Other revenue	14,975	-	-	-	14,975	-	14,975	-	-	-	14,975
Net assets released from restrictions	152,136	-	(152,136)	-	-	-	152,136	-	(152,136)	-	-
Total revenue	1,465,157	387,597	(34,464)	42,979	1,861,269	180,359	1,645,516	387,597	(34,464)	42,979	2,041,628
Expenses											
Congress	257,431	-	-	-	257,431	83,716	341,147	-	-	-	341,147
Congress travel grants	128,873	142,200	-	-	271,073	-	128,873	142,200	-	-	271,073
Salaries and benefits	424,171	-	-	-	424,171	23,324	447,495	-	-	-	447,495
Postage, printing and copying	40,961	-	-	-	40,961	-	40,961	-	-	-	40,961
Governance and travel	73,858	-	-	-	73,858	5,652	79,510	-	-	-	79,510
Publication	90,213	-	-	-	90,213	-	90,213	-	-	-	90,213
Section expense	40,570	-	-	-	40,570	-	40,570	-	-	-	40,570
Consulting and professional services	69,783	-	-	-	69,783	4,553	74,336	-	-	-	74,336
Investment fees	16,100	45,690	-	-	61,790	394	16,494	45,690	-	-	62,184
Special projects - Mellon workshops	45,000	-	-	-	45,000	-	45,000	-	-	-	45,000
Special projects - Ford	-	24,900	-	-	24,900	-	-	24,900	-	-	24,900
Special projects - Otros Saberes	6,436	-	-	-	6,436	-	6,436	-	-	-	6,436
Other	25,034	-	-	-	25,034	4,704	29,738	-	-	-	29,738
Office equipment and supplies	15,634	-	-	-	15,634	3,616	19,250	-	-	-	19,250
Training and development	11,702	-	-	-	11,702	-	11,702	-	-	-	11,702
Membership and dues	20,415	-	-	-	20,415	-	20,415	-	-	-	20,415
Management expense	-	-	-	-	-	15,632	15,632	-	-	-	15,632
Marketing	-	-	-	-	-	17,360	17,360	-	-	-	17,360
Depreciation	8,459	-	-	-	8,459	-	8,459	-	-	-	8,459
Telephone	3,087	-	-	-	3,087	174	3,261	-	-	-	3,261
Insurance	2,600	-	-	-	2,600	-	2,600	-	-	-	2,600
Total expenses	1,280,327	212,790	-	-	1,493,117	159,125	1,439,452	212,790	-	-	1,652,242
Increase (decrease) in net assets	184,830	174,807	(34,464)	42,979	368,152	21,234	206,064	174,807	(34,464)	42,979	389,386
Net assets, beginning of year	2,198,228	1,827,720	123,895	2,275,849	6,425,692	-	2,198,228	1,827,720	123,895	2,275,849	6,425,692
Net assets, end of year	\$ 2,383,058	\$ 2,002,527	\$ 89,431	\$ 2,318,828	\$ 6,793,844	\$ 21,234	\$ 2,404,292	\$ 2,002,527	\$ 89,431	\$ 2,318,828	\$ 6,815,078