

Combined Financial Statements

**LATIN AMERICAN STUDIES
ASSOCIATION AND AFFILIATE**

SEPTEMBER 30, 2016 AND 2015 (RESTATED)



LATIN AMERICAN
STUDIES ASSOCIATION





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LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
SEPTEMBER 30, 2016 AND 2015 (RESTATED)

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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, 2016 and 2015, 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, 2016 and 2015, 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.

Emphasis of Matter

As discussed in Note 13 to the combined financial statements, certain errors resulting in an understatement of Maestro Meetings earnings for September 30, 2015 were discovered by management during the current year. Accordingly, the revenues, management fees, and unrestricted net assets have been restated as of September 30, 2015. Our opinion is not modified with respect to these matters.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental information on pages 17 through 20 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
January 31, 2017

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
COMBINED STATEMENTS OF FINANCIAL POSITION

ASSETS

	September 30,	
	2016	2015 (Restated)
Current Assets:		
Cash and cash equivalents	\$ 1,334,515	\$ 1,657,528
Accounts receivable	52,456	119,440
Prepaid expenses	3,182	1,383
Prepaid Congress expenses	210,516	11,550
	1,600,669	1,789,901
Equipment, net	1,527	7,475
Investments	6,837,027	5,397,031
	\$ 8,439,223	\$ 7,194,407

LIABILITIES AND NET ASSETS

Current Liabilities:		
Payables and accrued expenses	\$ 146,453	\$ 32,977
Deferred revenue	534,145	312,831
	680,598	345,808
Net Assets:		
Unrestricted:		
Operating	3,309,949	2,773,020
Board designated	1,968,143	1,652,754
Temporarily restricted	20,594	46,072
Permanently restricted	2,459,939	2,376,753
	7,758,625	6,848,599
	\$ 8,439,223	\$ 7,194,407

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, 2016

	Unrestricted				Total
	Operating	Board Designated	Temporarily Restricted	Permanently Restricted	
Revenue:					
Grants	\$ -	\$ -	\$ 130,000	\$ -	\$ 130,000
Individual contributions	-	-	66,673	83,186	149,859
Membership and section dues	697,929	-	-	-	697,929
Congress registrations	974,809	-	-	-	974,809
Congress exhibits and advertisements	113,442	-	-	-	113,442
Other Congress revenue	5,000	-	-	-	5,000
Investment income	20,380	115,637	-	-	136,017
Net realized and unrealized gains	8,114	417,267	-	-	425,381
Royalties and subsidiary rights	83,298	-	-	-	83,298
Meeting planning services	192,041	-	-	-	192,041
Fundraising event	535,396	-	-	-	535,396
Other revenue	15,662	-	-	-	15,662
Net assets released from restrictions	222,151	-	(222,151)	-	-
Total Revenue	2,868,222	532,904	(25,478)	83,186	3,458,834
Expenses:					
Congress	441,452	-	-	-	441,452
Congress travel grants	106,079	161,657	-	-	267,736
Ford LASA2016	50,602	-	-	-	50,602
Ford Kalman Silvert Book	20,000	-	-	-	20,000
Salaries and benefits	527,076	-	-	-	527,076
Postage, printing and copying	88,303	-	-	-	88,303
Governance and travel	165,226	-	-	-	165,226
Publication	112,823	-	-	-	112,823
Section expense	50,618	-	-	-	50,618
Consulting and professional services	324,765	-	-	-	324,765
Investment fees	60,023	30,880	-	-	90,903
Special projects - Mellon workshops	-	-	-	-	-
Special projects - Ford	-	24,978	-	-	24,978
Special projects - Otros Saberes	-	-	-	-	-
Fundraising	314,444	-	-	-	314,444
Other	16,709	-	-	-	16,709
Office equipment and supplies	17,977	-	-	-	17,977
Training and development	3,214	-	-	-	3,214
Membership and dues	19,326	-	-	-	19,326
Management	-	-	-	-	-
Marketing	200	-	-	-	200
Depreciation	5,948	-	-	-	5,948
Telephone	3,568	-	-	-	3,568
Insurance	2,940	-	-	-	2,940
Total Expenses	2,331,293	217,515	-	-	2,548,808
Change in Net Assets	536,929	315,389	(25,478)	83,186	910,026
Net Assets - Beginning of Year	2,773,020	1,652,754	46,072	2,376,753	6,848,599
Net Assets - End of Year	<u>\$ 3,309,949</u>	<u>\$ 1,968,143</u>	<u>\$ 20,594</u>	<u>\$ 2,459,939</u>	<u>\$ 7,758,625</u>

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 (RESTATED)

	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	137,875	-	-	-	137,875
Other revenue	20,944	-	-	-	20,944
Net assets released from restrictions	118,717	-	(118,717)	-	-
Total Revenue	1,903,960	(191,231)	(43,359)	57,925	1,727,295
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	-	-	-	-	-
Special projects - Ford	-	24,925	-	-	24,925
Special projects - Otros Saberes	7,567	-	-	-	7,567
Fundraising	18,181	-	-	-	18,181
Other	24,385	-	-	-	24,385
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	368,728	(349,773)	(43,359)	57,925	33,521
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>\$ 2,773,020</u>	<u>\$ 1,652,754</u>	<u>\$ 46,072</u>	<u>\$ 2,376,753</u>	<u>\$ 6,848,599</u>

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

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
 COMBINED STATEMENTS OF CASH FLOWS
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	September 30,	
	2016	2015 (Restated)
Operating Activities:		
Change in net assets	\$ 910,026	\$ 33,521
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,948	7,395
Net (gain) loss on investments	(425,381)	286,812
Change in assets and liabilities:		
Accounts receivable	66,984	(104,122)
Prepaid expenses	(1,799)	(16)
Prepaid Congress expenses	(198,966)	(555)
Payables and accrued expenses	113,476	(44,736)
Deferred revenue	221,314	151,770
	(218,424)	296,548
Total adjustments		
Net Cash Provided by Operating Activities	691,602	330,069
Investing Activities:		
Proceeds from dispositions of investments	256,462	1,019,904
Purchases of investments	(1,271,077)	(1,443,501)
	(1,014,615)	(423,597)
Net Cash Used in Investing Activities		
Decrease in Cash and Cash Equivalents	(323,013)	(93,528)
Cash and Cash Equivalents - Beginning of Year	1,657,528	1,751,056
Cash and Cash Equivalents - End of Year	\$ 1,334,515	\$ 1,657,528

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

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015 (RESTATED)

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. ("Maestro"), 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. In exchange for management services, Maestro pays the Association a yearly management fee equal to 100% of Maestro's increase in net assets.

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, 2016 and 2015 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 COMBINED FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016 AND 2015 (RESTATED)

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, 2016 and 2015.

Income Taxes - The Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and a similar provision of Pennsylvania state income tax laws. The Organization 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 Organization to the unrelated business income tax. The Organization's Form 990 Return of Organizations Exempt from Income Tax for the years ending September 30, 2015, 2014 and 2013 are subject to examination by the Internal Revenue Service.

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016 AND 2015 (RESTATED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounting for Uncertainty in Income Tax Positions - The Organization 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, 2016 and 2015.

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. Effective June 1, 2016, the membership period changed from a calendar year to a rolling basis. This was applied to all fiscal year 2016 membership dues for the 2016 congress year.

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 (the "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, 2016 and 2015.

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.

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016 AND 2015 (RESTATED)

NOTE 3 - ENDOWMENT - Continued

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.

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, 2016:			
Donor-restricted endowment funds	\$ -	\$ 2,199,945	\$ 2,199,945
Board-designated endowment funds	1,973,685	-	1,973,685
	<u>\$ 1,973,685</u>	<u>\$ 2,199,945</u>	<u>\$ 4,173,630</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>
<u>Changes in Endowment Net Assets</u>	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets as of September 30, 2015	\$ 1,658,296	\$ 2,181,009	\$ 3,839,305
Investment return:			
Investment income	115,637	-	115,637
Net realized and unrealized gain	417,267	-	417,267
Investment fees	(30,880)	-	(30,880)
Contributions	-	18,936	18,936
Congress expenses	(161,657)	-	(161,657)
Special projects	(24,978)	-	(24,978)
Endowment net assets as of September 30, 2016	<u>\$ 1,973,685</u>	<u>\$ 2,199,945</u>	<u>\$ 4,173,630</u>

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016 AND 2015 (RESTATED)

NOTE 4 - NET ASSET RESTRICTIONS

Temporarily restricted net assets are available for the following purposes as of September 30, 2016 and 2015:

	September 30,	
	2016	2015
Otros Saberes project	\$ -	\$ 36,892
Travel grants	20,594	4,180
Life memberships	-	5,000
	<u>\$ 20,594</u>	<u>\$ 46,072</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, 2016 and 2015:

	September 30,	
	2016	2015
Congress and special Association-linked projects	\$ 1,468,143	\$ 1,152,754
Contingency/building fund	500,000	500,000
	<u>\$ 1,968,143</u>	<u>\$ 1,652,754</u>

Permanently restricted net assets are available for the following purposes as of September 30, 2016 and 2015:

	September 30,	
	2016	2015
Endowment funds	\$ 2,199,945	\$ 2,181,009
LASA operations	259,994	195,744
	<u>\$ 2,459,939</u>	<u>\$ 2,376,753</u>

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016 AND 2015 (RESTATED)

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 COMBINED FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016 AND 2015 (RESTATED)

NOTE 5 – INVESTMENTS - Continued

	Investments at Fair Value as of September 30, 2016			
	Level I	Level II	Level III	Total
Certificate of Deposits	\$ 992,614	\$ -	\$ -	\$ 992,614
Common stock funds	4,565,369	-	-	4,565,369
Bond funds	942,046	-	-	942,046
Hedge funds	-	336,998	-	336,998
Total Investments at Fair Value	\$ 6,500,029	\$ 336,998	\$ -	\$ 6,837,027

	Investments at Fair Value as of September 30, 2015			
	Level I	Level II	Level III	Total
Certificate of Deposits	\$ 988,468	\$ -	\$ -	\$ 988,468
Common stock funds	3,565,236	-	-	3,565,236
Bond funds	843,327	-	-	843,327
Hedge funds	-	-	-	-
Total Investments at Fair Value	\$ 5,397,031	\$ -	\$ -	\$ 5,397,031

Total investment income (loss) for the years ended September 30, 2016 and 2015 consisted of:

	September 30,	
	2016	2015
Dividends reinvested	\$ 136,017	\$ 116,799
Net realized and unrealized gains (losses)	425,381	(286,812)
Investment fees	(90,903)	(101,402)
	\$ 470,495	\$ (271,415)

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016 AND 2015 (RESTATED)

NOTE 6 - EQUIPMENT

Equipment consists of the following as of September 30, 2016 and 2015:

	September 30,	
	2016	2015
Computers and equipment	\$ 84,612	\$ 84,612
Furniture and fixtures	27,060	27,060
	111,672	111,672
Less: Accumulated Depreciation	(110,145)	(104,197)
	\$ 1,527	\$ 7,475

NOTE 7 - FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses by function for the years ended September 30, 2016 and 2015 were as follows:

	September 30,	
	2016	2015
Program Services:		
Publications	\$ 669,120	\$ 673,672
Congress	709,187	466,988
Special projects	95,580	32,492
Membership and sections	100,824	89,964
	1,574,711	1,263,116
Management and general	485,137	257,236
Fundraising	488,960	173,422
	\$ 2,548,808	\$ 1,693,774

NOTE 8 - DONATED SERVICES

During the years ended September 30, 2016 and 2015, the Association reported contributed salaries and benefits from the University of Pittsburgh of \$53,254. The University also pledged approximately \$52,000 that will be recognized as a reduction of salaries and benefits during the year ending September 30, 2017.

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016 AND 2015 (RESTATED)

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, 2016 and 2015:

	September 30,	
	2016	2015
Cost to hold Congress	\$ 547,531	\$ 362,437
Congress travel grants provided	161,657	104,551
	\$ 709,188	\$ 466,988

NOTE 11 - DEFERRED REVENUE

Deferred revenue is comprised of membership dues and Congress income. The balance in deferred revenue as of September 30, 2016 and 2015 is:

	September 30,	
	2016	2015
Membership and section dues	\$ 534,145	\$ 294,636
Congress registrations, exhibits and advertisements	-	18,195
	\$ 534,145	\$ 312,831

NOTE 12 – RELATED PARTY ACTIVITY

In exchange for management services, Maestro pays the Association a yearly management fee equal to 100% of Maestro's increase in net assets. For the years ending September 30, 2016 and 2015, Maestro had profits before management fees in the amount of \$61,561 and \$15,118, respectively. The Association's management fee revenue was \$82,795 for the year ended September 30, 2016. This amount includes the 100% increase in net assets from Maestro during September 30, 2016 and additional fees. The Association's management fee revenue was \$15,118 for the year ended September 30, 2015. Intercompany transactions and balances have been eliminated in the combination.

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016 AND 2015 (RESTATED)

NOTE 13 - RESTATEMENT OF COMBINED FINANCIAL STATEMENTS

The Organization discovered that Maestro's 2015 revenues were understated due to improper revenue cutoff. Accordingly, the Organization restated its results, the effect of which, was to increase revenues by \$42,618 and record a \$15,118 management fee payable to LASA equal to Maestro's restated 2015 increase in net assets.

The effect of the restatement on the change in unrestricted net assets and financial position as of and for the year ended September 30, 2015 are as follows:

<u>Maestro</u>	2015	
	As previously reported	Restated
Total revenue	\$ 95,257	\$ 137,875
Total expense	122,757	137,875
Change in net assets	(27,500)	-
Management fee expense	85	15,203
Ending unrestricted net assets	(6,266)	21,234

<u>LASA</u>	2015	
	As previously reported	Restated
Total revenue	\$ 1,589,420	\$ 1,604,538
Total expense	1,571,017	1,571,017
Change in net assets	18,403	33,521
MaestroMeetings management fee revenue	-	15,118
Ending unrestricted net assets	6,812,247	6,827,365

NOTE 14 - 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 January 31, 2017 the date on which the financial statements were available to be issued.

On January 1, 2017 the Association executed a management agreement with Maestro. The agreement requires Maestro to pay the Association a yearly management fee equal to 100% of Maestro's increase in net assets.

SUPPLEMENTAL INFORMATION

LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
 COMBINING STATEMENT OF FINANCIAL POSITION
 SEPTEMBER 30, 2016

ASSETS

	Latin American Studies Association	Maestro Meetings	Combining	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents	\$ 986,901	\$ 347,614	\$ -	\$ 1,334,515
Accounts receivable	12,627	39,829	-	52,456
Accounts receivable - affiliate	387,443	-	(387,443)	-
Prepaid expenses	3,182	-	-	3,182
Prepaid Congress expenses	210,516	-	-	210,516
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total current assets	1,600,669	387,443	(387,443)	1,600,669
Equipment, net	1,527	-	-	1,527
Investments	6,837,027	-	-	6,837,027
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 8,439,223</u>	<u>\$ 387,443</u>	<u>\$ (387,443)</u>	<u>\$ 8,439,223</u>

LIABILITIES AND NET ASSETS

Payables and accrued expenses	\$ 146,453	\$ -	\$ -	\$ 146,453
Accounts payable - affiliate	-	387,443	(387,443)	-
Deferred revenue	534,145	-	-	534,145
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	680,598	387,443	(387,443)	680,598
Net assets				
Unrestricted				
Operating	3,309,949	-	-	3,309,949
Board designated	1,968,143	-	-	1,968,143
Temporarily restricted	20,594	-	-	20,594
Permanently restricted	2,459,939	-	-	2,459,939
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total net assets	7,758,625	-	-	7,758,625
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 8,439,223</u>	<u>\$ 387,443</u>	<u>\$ (387,443)</u>	<u>\$ 8,439,223</u>

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

ASSETS

	Latin American Studies Association	Maestro Meetings	Combining	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents	\$ 1,406,926	\$ 250,602	\$ -	\$ 1,657,528
Accounts receivable	39,223	80,217	-	119,440
Accounts receivable - affiliate	309,585	-	(309,585)	-
Prepaid expenses	1,383	-	-	1,383
Prepaid Congress expenses	11,550	-	-	11,550
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total current assets	1,768,667	330,819	(309,585)	1,789,901
Equipment, net	7,475	-	-	7,475
Investments	5,397,031	-	-	5,397,031
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 7,173,173</u>	<u>\$ 330,819</u>	<u>\$ (309,585)</u>	<u>\$ 7,194,407</u>

LIABILITIES AND NET ASSETS

Payables and accrued expenses	\$ 32,977	\$ -	\$ -	\$ 32,977
Accounts payable - affiliate	-	309,585	(309,585)	-
Deferred revenue	312,831	-	-	312,831
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	345,808	309,585	(309,585)	345,808
Net assets				
Unrestricted				
Operating	2,751,786	21,234	-	2,773,020
Board designated	1,652,754	-	-	1,652,754
Temporarily restricted	46,072	-	-	46,072
Permanently restricted	2,376,753	-	-	2,376,753
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total net assets	6,827,365	21,234	-	6,848,599
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 7,173,173</u>	<u>\$ 330,819</u>	<u>\$ (309,585)</u>	<u>\$ 7,194,407</u>

**LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2016**

	Latin American Studies Association					Maestro Meetings		Total				
	Unrestricted		Temporarily Restricted	Permanently Restricted	Total	Unrestricted		Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	Operating	Board Designated				Operating	Combining	Operating	Board Designated			
Revenue												
Grants	\$ -	\$ -	\$ 130,000	\$ -	\$ 130,000	\$ -	\$ -	\$ -	\$ -	\$ 130,000	\$ -	\$ 130,000
Individual contributions	-	-	66,673	83,186	149,859	-	-	-	-	66,673	83,186	149,859
Membership and section dues	697,929	-	-	-	697,929	-	-	697,929	-	-	-	697,929
Congress registrations	974,809	-	-	-	974,809	-	-	974,809	-	-	-	974,809
Congress exhibits and advertisements	113,442	-	-	-	113,442	-	-	113,442	-	-	-	113,442
Other Congress revenue	5,000	-	-	-	5,000	-	-	5,000	-	-	-	5,000
Net investment income	20,380	115,637	-	-	136,017	-	-	20,380	115,637	-	-	136,017
Net realized and unrealized gains (losses) on investments	8,114	417,267	-	-	425,381	-	-	8,114	417,267	-	-	425,381
Royalties and subsidiary rights	83,298	-	-	-	83,298	-	-	83,298	-	-	-	83,298
MaestroMeetings management fee	82,795	-	-	-	82,795	-	(82,795)	-	-	-	-	-
Meeting planning services	-	-	-	-	-	192,041	-	192,041	-	-	-	192,041
Fundraising	535,396	-	-	-	535,396	-	-	535,396	-	-	-	535,396
Other revenue	15,662	-	-	-	15,662	-	-	15,662	-	-	-	15,662
Net assets released from restrictions	222,151	-	(222,151)	-	-	-	-	222,151	-	(222,151)	-	-
Total revenue	2,758,976	532,904	(25,478)	83,186	3,349,588	192,041	(82,795)	2,868,222	532,904	(25,478)	83,186	3,458,834
Expenses												
Congress	393,247	-	-	-	393,247	48,205	-	441,452	-	-	-	441,452
Congress travel grants	106,079	161,657	-	-	267,736	-	-	106,079	161,657	-	-	267,736
Ford LASA2016	50,602	-	-	-	50,602	-	-	50,602	-	-	-	50,602
Ford Kalman Silvert Book	20,000	-	-	-	20,000	-	-	20,000	-	-	-	20,000
Salaries and benefits	457,103	-	-	-	457,103	69,973	-	527,076	-	-	-	527,076
Postage, printing and copying	88,303	-	-	-	88,303	-	-	88,303	-	-	-	88,303
Governance and travel	163,181	-	-	-	163,181	2,045	-	165,226	-	-	-	165,226
Publication	112,823	-	-	-	112,823	-	-	112,823	-	-	-	112,823
Section expense	50,618	-	-	-	50,618	-	-	50,618	-	-	-	50,618
Consulting and professional services	321,120	-	-	-	321,120	3,645	-	324,765	-	-	-	324,765
Investment fees	59,150	30,880	-	-	90,030	873	-	60,023	30,880	-	-	90,903
Special projects - Mellon workshops	-	-	-	-	-	-	-	-	-	-	-	-
Special projects - Ford	-	24,978	-	-	24,978	-	-	-	24,978	-	-	24,978
Special projects - Otros Saberes	-	-	-	-	-	-	-	-	-	-	-	-
Fundraising	314,444	-	-	-	314,444	-	-	314,444	-	-	-	314,444
Other	15,318	-	-	-	15,318	1,391	-	16,709	-	-	-	16,709
Office equipment and supplies	14,196	-	-	-	14,196	3,781	-	17,977	-	-	-	17,977
Training and development	3,214	-	-	-	3,214	-	-	3,214	-	-	-	3,214
Membership and dues	19,326	-	-	-	19,326	-	-	19,326	-	-	-	19,326
Management fee	-	-	-	-	-	82,795	(82,795)	-	-	-	-	-
Marketing	-	-	-	-	-	200	-	200	-	-	-	200
Depreciation	5,948	-	-	-	5,948	-	-	5,948	-	-	-	5,948
Telephone	3,201	-	-	-	3,201	367	-	3,568	-	-	-	3,568
Insurance	2,940	-	-	-	2,940	-	-	2,940	-	-	-	2,940
Total expenses	2,200,813	217,515	-	-	2,418,328	213,275	(82,795)	2,331,293	217,515	-	-	2,548,808
Increase (decrease) in net assets	558,163	315,389	(25,478)	83,186	931,260	(21,234)	-	536,929	315,389	(25,478)	83,186	910,026
Net assets, beginning of year	2,751,786	1,652,754	46,072	2,376,753	6,827,365	21,234	-	2,773,020	1,652,754	46,072	2,376,753	6,848,599
Net assets, end of year	\$ 3,309,949	\$ 1,968,143	\$ 20,594	\$ 2,459,939	\$ 7,758,625	\$ -	\$ -	\$ 3,309,949	\$ 1,968,143	\$ 20,594	\$ 2,459,939	\$ 7,758,625

**LATIN AMERICAN STUDIES ASSOCIATION AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015 (RESTATED)**

	Latin American Studies Association					Maestro Meetings		Total				
	Unrestricted		Temporarily Restricted	Permanently Restricted	Total	Unrestricted		Unrestricted		Temporarily Restricted	Permanently Restricted	Total
	Operating	Board Designated				Operating	Combining	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
MaestroMeetings management fee	15,118	-	-	-	15,118	-	(15,118)	-	-	-	-	-
Meeting planning services	-	-	-	-	-	137,875	-	137,875	-	-	-	137,875
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	1,781,203	(191,231)	(43,359)	57,925	1,604,538	137,875	(15,118)	1,903,960	(191,231)	(43,359)	57,925	1,727,295
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
Fundraising	18,181	-	-	-	18,181	-	-	18,181	-	-	-	18,181
Other	22,237	-	-	-	22,237	2,148	-	24,385	-	-	-	24,385
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 fee	-	-	-	-	-	15,203	(15,118)	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	137,875	(15,118)	1,535,232	158,542	-	-	1,693,774
Increase (decrease) in net assets	368,728	(349,773)	(43,359)	57,925	33,521	-	-	368,728	(349,773)	(43,359)	57,925	33,521
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	\$ 2,751,786	\$ 1,652,754	\$ 46,072	\$ 2,376,753	\$ 6,827,365	\$ 21,234	\$ -	\$ 2,773,020	\$ 1,652,754	\$ 46,072	\$ 2,376,753	\$ 6,848,599