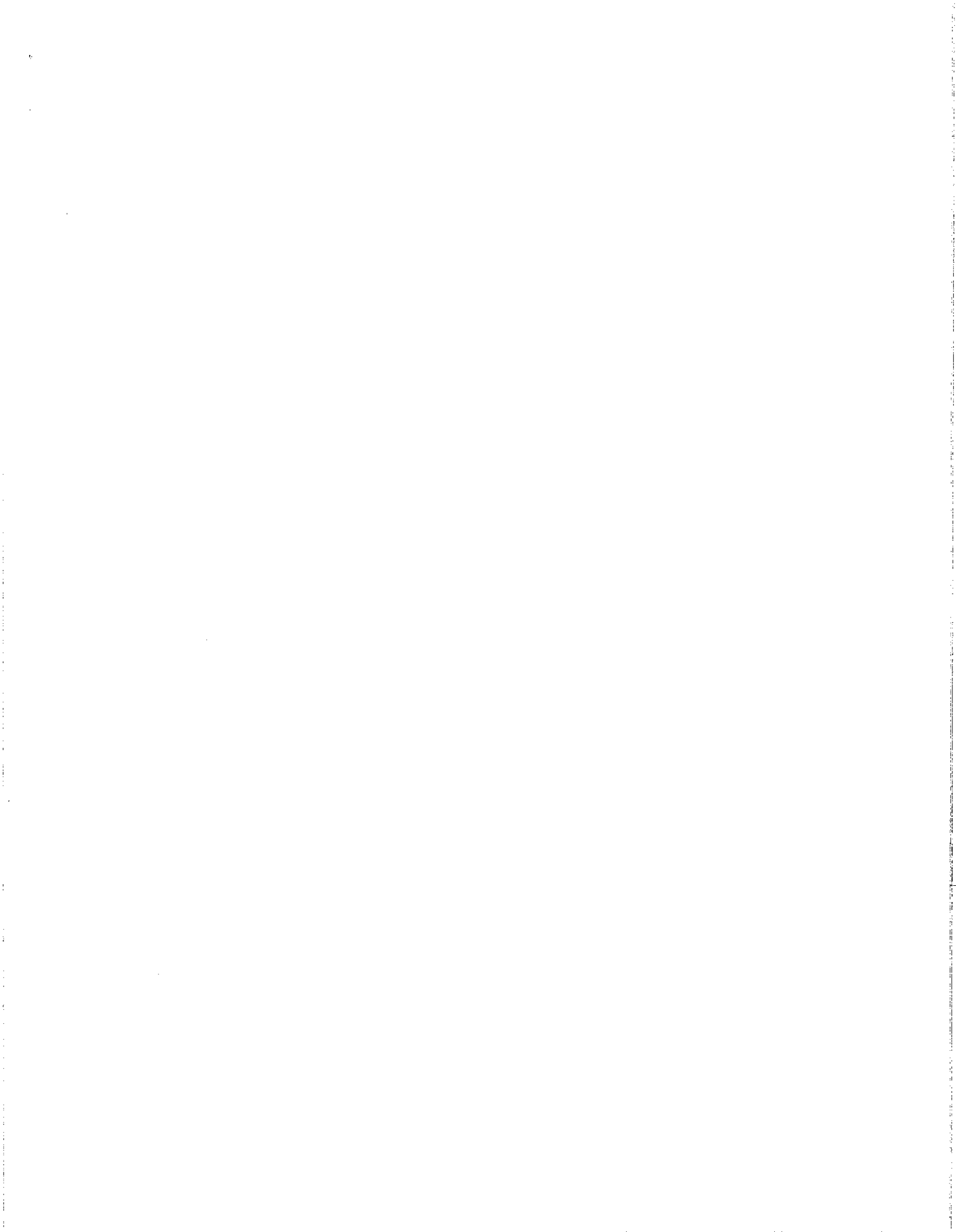


FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

AMERICAN ASSOCIATION OF
TEACHERS OF FRENCH, INC.

June 30, 2012 and 2011



AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

June 30, 2012 and 2011

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INDEPENDENT ACCOUNTANTS' REPORT

Executive Council
American Association of Teachers of French, Inc.
Carbondale, Illinois

We have audited the accompanying statements of financial position of American Association of Teachers of French, Inc., a not-for-profit corporation, as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Association of Teachers of French, Inc. as of June 30, 2012 and 2011 and changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Kerber, Eck & Braeckel LLP

Carbondale, Illinois
January 17, 2013

FINANCIAL STATEMENTS

AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2012 and 2011

General Fund

	National Headquarters	The French Review	National French Contest	French Honor Society	Total	Restricted and Designated Fund	Total of All Funds 2012	2011
ASSETS								
Cash and cash equivalents	\$ 209,895	\$ 16,755	\$ 50,064	\$ 103,754	\$ 380,468	\$ 47,283	\$ 427,751	\$ 331,860
Investments, at fair value:								
Common and preferred stock	-	-	-	-	-	1,051,442	1,051,442	1,028,695
Index funds	-	-	-	-	-	495,687	495,687	372,427
Government and agency securities	-	-	-	-	-	167,889	167,889	229,540
	<u>209,895</u>	<u>16,755</u>	<u>50,064</u>	<u>103,754</u>	<u>380,468</u>	<u>1,762,301</u>	<u>2,142,769</u>	<u>1,962,522</u>
Equipment	15,450	-	224	-	15,674	-	15,674	22,131
Less accumulated depreciation	(12,898)	-	(224)	-	(13,122)	-	(13,122)	(21,899)
	<u>2,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,552</u>	<u>-</u>	<u>2,552</u>	<u>232</u>
Accounts receivable	76	1,930	4,658	-	6,664	-	6,664	2,481
Prepaid expense	12,810	-	-	-	12,810	-	12,810	55,660
Inventory	-	-	15,098	-	15,098	-	15,098	16,545
Due from others	-	-	-	29,876	29,876	-	29,876	5,814
TOTAL ASSETS	<u>\$ 225,333</u>	<u>\$ 18,685</u>	<u>\$ 69,820</u>	<u>\$ 133,630</u>	<u>\$ 447,468</u>	<u>\$ 1,762,301</u>	<u>\$ 2,209,769</u>	<u>\$ 2,043,254</u>
LIABILITIES								
Deferred revenue	\$ 111,434	\$ -	\$ -	\$ -	\$ 111,434	\$ -	\$ 111,434	\$ 164,559
Accrued payroll	27,377	-	-	-	27,377	-	27,377	-
Accrued payable	18,655	-	1,210	2,839	22,704	-	22,704	7,150
Accrued benefits	12,232	-	-	-	12,232	-	12,232	4,899
Accrued other	-	-	-	-	-	-	-	-
Due to others	29,876	-	-	-	29,876	-	29,876	5,814
Total liabilities	<u>199,574</u>	<u>-</u>	<u>1,210</u>	<u>2,839</u>	<u>203,623</u>	<u>-</u>	<u>203,623</u>	<u>182,422</u>
NET ASSETS	<u>25,759</u>	<u>18,685</u>	<u>68,610</u>	<u>130,791</u>	<u>243,845</u>	<u>1,762,301</u>	<u>2,006,146</u>	<u>1,860,832</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 225,333</u>	<u>\$ 18,685</u>	<u>\$ 69,820</u>	<u>\$ 133,630</u>	<u>\$ 447,468</u>	<u>\$ 1,762,301</u>	<u>\$ 2,209,769</u>	<u>\$ 2,043,254</u>

The accompanying notes are an integral part of these statements.

AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating revenue		
Memberships, subscriptions & senior awards	\$ 431,964	\$ 433,745
Sales of certificates, pins & t-shirts	187,529	153,123
Sales of tests, tapes & cd's	230,249	221,165
Advertising	16,315	26,695
Conference	179,858	106,813
Mailing list rental	3,961	5,046
Royalties	4,461	26,746
Other	<u>189,758</u>	<u>179,675</u>
Total operating revenue	1,244,095	1,153,008
Operating expenses		
Printing	157,505	166,809
Salaries	204,107	205,054
Cost of t-shirts, pins, certificates, etc.	40,491	107,204
Cost of tests, tapes & cd's for resale	101,281	95,842
Advertising	79,210	52,948
Office supplies and postage	83,684	83,371
Honoraria	69,036	65,258
Awards and gifts	58,328	62,708
Travel and lodging - Executive Council	17,883	18,686
Conference	107,663	94,428
Scholarships	21,858	23,934
Commissions	3,210	4,584
Professional services	17,944	13,900
Depreciation	869	725
Occupancy	7,057	7,147
Other	189,136	164,237
Taxes	<u>1,157</u>	<u>136</u>
Total operating expenses	<u>1,160,419</u>	<u>1,166,971</u>
Income (loss) from operations	83,676	(13,963)
Nonoperating revenue		
Investment income	40,261	47,085
Net unrealized and realized gain (loss) on investments	<u>21,377</u>	<u>251,836</u>
Total nonoperating revenue	<u>61,638</u>	<u>298,921</u>
INCREASE IN NET ASSETS	145,314	284,958
NET ASSETS, BEGINNING OF YEAR	<u>1,860,832</u>	<u>1,575,874</u>
NET ASSETS, END OF YEAR	<u>\$ 2,006,146</u>	<u>\$ 1,860,832</u>

The accompanying notes are an integral part of these statements.

AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

STATEMENTS OF CASH FLOWS

Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Change in net assets	\$ 145,314	\$ 284,958
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	869	725
Net unrealized and realized (gain) loss on investments	(21,377)	(251,836)
Changes in:		
Prepaid expense	42,850	(16,760)
Accounts receivable	(4,183)	6,758
Inventory	1,447	(4,211)
Accounts payable	15,554	(2,113)
Accrued payroll	27,377	-
Accrued benefits	7,333	2,721
Accrued other	-	(125)
Deferred revenue	<u>(53,125)</u>	<u>67,611</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	162,059	87,728
Cash flows from investing activities		
Dividends reinvested	(33,487)	(33,919)
Net proceeds from sale (purchases) of marketable securities	(29,492)	62,000
Purchase of equipment	<u>(3,189)</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(66,168)</u>	<u>28,081</u>
Increase in cash and cash equivalents	95,891	115,809
Cash and cash equivalents at beginning of year	<u>331,860</u>	<u>216,051</u>
Cash and cash equivalents at end of year	<u>\$ 427,751</u>	<u>\$ 331,860</u>

The accompanying notes are an integral part of these statements.

AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012 and 2011

NOTE A - ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES

A summary of the Association's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Organization

The Association is a not-for-profit organization exempt from federal income taxes under Section 501(c)3 of the Internal Revenue Code. The Association is devoted to the advancement of French education and improvement of teaching for French Teachers through conventions, seminars, journals, and other professional development activities for its approximately 10,000 members. It is governed by an Executive Council comprised of elected and appointed members and an elected Delegate Assembly.

Revenue received from the rental of membership and subscription lists is taxable income as an unrelated business activity.

2. Basis of Reporting

The Association prepares its financial statements on the accrual basis of accounting. Under this basis revenue is recorded when earned and expenses are recognized when incurred.

3. Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Association, its accounts are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

The General Fund includes those funds presently available for use by the Association at the discretion of the Executive Council.

The Endowment Fund (Designated Fund) was created by the Executive Council in 1969 and consists of an initial transfer of unrestricted gifts accumulated from 1930 to 1970 plus gifts and investment gains accumulated since 1970. Periodically, amounts of accumulated income are transferred to the General Fund for general expenses, scholarships, and other uses. However, the Executive Council retains control of these assets and may at its discretion subsequently use these assets for other purposes.

The North Carolina Scholarship Fund (Restricted Fund) consists of a donor restricted endowment that shall be used to establish an endowment fund in which the income may be available for one or more scholarships to be given each year in accordance with donor restrictions.

AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE A - ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES - CONTINUED

4. Cash and Cash Equivalents

For financial statement presentation purposes, cash includes cash on hand, bank deposits, and all highly liquid investment instruments with an initial maturity of three months or less. At June 30, 2012, cash equivalents consisted of money market funds.

5. Inventory

Inventory is stated at lower-of-cost, generally on a first-in, first-out basis, or market.

6. Investments

Investments are carried at fair value. Fair value is based on quoted values as listed on various national markets. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the Statement of Activities.

Trading securities are debt or equity securities that are bought and held principally for the purpose of selling them in the near future. The Association did not have any investments classified as trading securities at June 30, 2012 and 2011.

7. Depreciation

Depreciation is determined primarily by accelerated methods over the estimated useful lives of the assets.

8. Contributions

The Association reports gifts of cash and other assets and grants, as restricted support if they are received with donor or grantor stipulations that limit the use of the assets. When the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At June 30, 2012 the only restricted fund was the North Carolina Scholarship Fund.

9. Use of Estimates

The preparation of financial statements 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE A - ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES - CONTINUED

10. Income Taxes

The Association is a not-for-profit corporation as described in Section 501(c)3 of the Internal Revenue Code and is exempt from income taxes. The association realized certain income which the Internal Revenue Service considers to be unrelated business income subject to income tax for the years ended June 30, 2012. AATF will file a 990-T for any unrelated business income. There were no penalties, interest, or uncertain tax benefits identified and recorded as a liability.

Tax returns filed by the Association are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return. Tax returns filed by the Association are no longer subject to examination for the years ended June 30, 2008 and prior.

NOTE B - NATIONAL HEADQUARTERS GRANT

The Association has contracted, through an external grant agreement, with Southern Illinois University (SIU) to run the operation and administration of the national headquarters. This is accomplished on SIU's campus using SIU employees, SIU office and storage space and other SIU resources. Through the annually renewable grant the Association provides funds to SIU to cover wages and other expenses related to running the national headquarters.

NOTE C - PROGRAM EXPENSES

Program and support expenses for the year ended June 30, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
National French Contest	\$ 180,484	\$ 178,411
French Review	2,632	3,287
French Honor Society	58,676	127,325
Conferences	105,751	90,931
Promotional	230,796	207,585
Chapter reimbursements	59,294	58,374
Awards, gifts, scholarships	18,251	23,342
Management and general	<u>504,535</u>	<u>477,716</u>
	<u>\$ 1,160,419</u>	<u>\$ 1,166,971</u>

AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE D - DEPOSITS AND INVESTMENTS

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Association's deposits may not be returned.

The Association maintains deposit accounts at several different financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2012 all demand account balances were covered by the FDIC.

2. Investments

As of June 30, 2012 and 2011, the Association had the following investments and maturities, all of which were held in the Association's name by several custodial banks that are agents of the Association.

June 30, 2012

<u>Investment Type</u>	<u>Carrying value</u>	<u>Less than 6 months</u>	<u>6-12 months</u>	<u>1-5 years</u>
Mutual Funds	\$ 1,051,442	\$ 1,051,442	\$ -	\$ -
Bonds	167,889	100,713	-	67,176
Index Equity Funds	<u>495,687</u>	<u>495,687</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,715,018</u>	<u>\$ 1,647,842</u>	<u>\$ -</u>	<u>\$ 67,176</u>

June 30, 2011

<u>Investment Type</u>	<u>Carrying value</u>	<u>Less than 6 months</u>	<u>6-12 months</u>	<u>1-5 years</u>
Mutual Funds	\$ 1,028,695	\$ 1,028,695	\$ -	\$ -
Bonds	229,540	55,829	52,305	121,406
Index Equity Funds	<u>372,427</u>	<u>372,427</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,630,662</u>	<u>\$ 1,456,951</u>	<u>\$ 52,305</u>	<u>\$ 121,406</u>

AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE D - DEPOSITS AND INVESTMENTS - CONTINUED

2. Investments - Continued

Interest Rate Risk - Interest rate risk is the risk that the fair value of an investment will decline as interest increases. The Association's investment policy is described in the paragraph below. Due to the Association's types of investments at June 30, 2012 and 2011, interest rate risk is not significant.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Association will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk - The Association places no limit on the amount that may be invested in any one issuer.

3. Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the balance sheets as follows:

	<u>2012</u>	<u>2011</u>
<u>Carrying value</u>		
Deposits	<u>\$ 1,715,018</u>	<u>\$ 1,630,662</u>
Included in the following balance sheet captions		
Index Equity Funds	\$ 495,687	\$ 372,427
Mutual Funds	1,051,442	1,028,695
Government and agency securities	<u>167,889</u>	<u>229,540</u>
	<u>\$ 1,715,018</u>	<u>\$ 1,630,662</u>

Investment Income

	<u>2012</u>	<u>2011</u>
Interest and dividend income	<u>\$ 40,261</u>	<u>\$ 47,085</u>

AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE D - DEPOSITS AND INVESTMENTS - CONTINUED

Fair Value Measurement

The Fair Value Measurements Topic of the FASB Accounting Standards Codification (FASB ASC 820) addresses fair value measurements standards in financial statements prepared according to Generally Accepted Accounting Principles. FASB ASC 820 establishes a principles-based framework for measuring fair value of both assets and liabilities and clarifies the definition for fair value. The definition of fair value is clarified by FASB ASC 820 to be 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 measurements date. FASB ASC 820 sets forth a fair value hierarchy for inputs that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the plan has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted price included within level 1 that are observable valuing the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs used for valuing the asset or liability.

Input levels by investment category of the Association's financial instruments at June 30, 2012 are as follows:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Index Equity Funds	\$ 495,687	\$ -	\$ 495,687	\$ -
Mutual Funds				
Consumer Discretionary	58,775	58,775	-	-
Healthcare	92,871	92,871	-	-
Telecommunication	11,460	11,460	-	-
Technology	134,573	134,573	-	-
Basic Materials	13,488	13,488	-	-
Consumer Defense	12,386	12,386	-	-
Energy	38,475	38,475	-	-
Financial	18,945	18,945	-	-
Industrial	77,213	77,213	-	-
Real Estate	40,980	40,980	-	-
Large Cap Value	330,589	330,589	-	-
Small Cap Value	48,884	48,884	-	-
Small Cap Growth	34,486	34,486	-	-
International	138,317	138,317	-	-
U.S. Treasury Notes	<u>167,889</u>	<u>167,889</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,715,018</u>	<u>\$ 1,219,331</u>	<u>\$ 495,687</u>	<u>\$ -</u>

AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE D - DEPOSITS AND INVESTMENTS - CONTINUED

Input levels by investment category of the Association's financial instruments at June 30, 2011 are as follows:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Index Equity Funds	\$ 372,427	\$ -	\$ 372,427	\$ -
Mutual Funds				
Consumer Discretionary	53,150	53,150	-	-
Healthcare	81,136	81,136	-	-
Telecommunication	12,313	12,313	-	-
Technology	122,056	122,056	-	-
Basic Materials	14,727	14,727	-	-
Consumer Defense	10,817	10,817	-	-
Energy	42,940	42,940	-	-
Financial	19,514	19,514	-	-
Industrial	78,888	78,888	-	-
Real Estate	36,302	36,302	-	-
Large Cap Value	310,632	310,632	-	-
Small Cap Value	35,171	35,171	-	-
Small Cap Growth	49,142	49,142	-	-
International	161,907	161,907	-	-
U.S. Treasury Notes	<u>229,540</u>	<u>229,540</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,630,662</u>	<u>\$ 1,258,235</u>	<u>\$ 372,427</u>	<u>\$ -</u>

The Association's other financial instruments are as follows:

Cash and cash equivalents
Accounts receivable

Accounts payable and accrued expenses

The carrying amount reported in the balance sheet for the financial instruments approximates fair value.

AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2012 and 2011

NOTE E - RESTRICTED AND DESIGNATED FUNDS

	Designated Fund	North Carolina Fund	Total
NET ASSETS, BEGINNING OF YEAR	\$ 1,413,228	\$ 313,643	\$ 1,726,871
Dividend Income	23,159	11,514	34,673
Interest Income	5,588	-	5,588
Net unrealized and realized gain (loss)	2,425	18,952	21,377
Scholarships	-	(10,508)	(10,508)
Transfer to National Headquarters	(15,700)	-	(15,700)
NET ASSETS, END OF YEAR	<u>\$ 1,428,700</u>	<u>\$ 333,601</u>	<u>\$ 1,762,301</u>

The Board Designated Fund was created by the Executive Council in 1969 and consists of an initial transfer of unrestricted gifts accumulated from 1930 to 1970 plus gifts and investment gains accumulated since 1970. Periodically, amounts of accumulated income are transferred to the General Fund for general expenses, scholarships, and other uses. However, the Executive Council retains control of these assets and may, at its discretion, use these assets for other purposes. Typically, these funds are only used for scholarships.

The North Carolina Scholarship Fund is a Restricted Fund that consists of a donor restricted endowment that shall be used to establish an endowment fund in which the income may be available for one or more scholarships to be given each year in accordance with donor restrictions.

NOTE F - SUBSEQUENT EVENTS

Management evaluated all events and transactions that occurred after June 30, 2012 through January 17, 2013. No subsequent events were identified.

SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION

Executive Council
American Association of Teachers of French, Inc.
Carbondale, Illinois

We have audited the financial statements of American Association of Teachers of French, Inc. as of and for the years ended June 30, 2012 and 2011, and have issued our report thereon dated January 17, 2013, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Kerber, Eck & Braeckel LLP

Carbondale, Illinois
January 17, 2013

AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

COMBINING STATEMENT OF ACTIVITIES

June 30, 2012

	General Fund					Restricted and Designated Fund	Total of All Funds
	National Headquarters	The French Review	National French Contest	French Honor Society	Total		
Operating revenue							
Memberships and subscriptions	\$ 431,964	\$ -	\$ -	\$ -	\$ 431,964	\$ -	\$ 431,964
Sales of certificates, pins & t-shirts	-	-	-	187,529	187,529	-	187,529
Sales of tests, tapes & cd's	-	-	230,249	-	230,249	-	230,249
Advertising	-	16,315	-	-	16,315	-	16,315
Conference	179,858	-	-	-	179,858	-	179,858
Mailing list rental	3,961	-	-	-	3,961	-	3,961
Royalties	4,036	-	425	-	4,461	-	4,461
Other	164,765	-	24,993	-	189,758	-	189,758
Total operating revenue	784,584	16,315	255,667	187,529	1,244,095	-	1,244,095
Operating expenses							
Printing of French Review, National Bulletin and Le Grand Concours	151,586	-	5,919	-	157,505	-	157,505
Salaries	201,416	-	2,691	-	204,107	-	204,107
Cost of t-shirts, pins, certificates, etc.	-	-	-	40,491	40,491	-	40,491
Cost of tests, tapes & cd's for resale	-	-	101,281	-	101,281	-	101,281
Advertising	79,210	-	-	-	79,210	-	79,210
Office supplies and postage	82,566	388	730	-	83,684	-	83,684
Honoraria	62,958	-	-	6,078	69,036	-	69,036
Awards and gifts	4,743	-	53,585	-	58,328	-	58,328
Travel and lodging - Executive Council	17,883	-	-	-	17,883	-	17,883
Conference	105,751	-	1,912	-	107,663	-	107,663
Scholarships	3,000	-	-	8,350	11,350	10,508	21,858
Commissions	3,210	-	-	-	3,210	-	3,210
Professional services	16,244	-	1,700	-	17,944	-	17,944
Depreciation	869	-	-	-	869	-	869
Occupancy	-	-	7,057	-	7,057	-	7,057

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AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

COMBINING STATEMENT OF ACTIVITIES - CONTINUED

June 30, 2012

	General Fund				Restricted and Designated Fund	Total of All Funds
	National Headquarters	The French Review	National French Contest	French Honor Society		
Other Taxes	177,526 <u>1,157</u>	2,244 -	5,609 -	3,757 -	- -	189,136 <u>1,157</u>
Total operating expenses	908,119	2,632	180,484	58,676	10,508	1,160,419
Income (loss) from operations	<u>(123,535)</u>	<u>13,683</u>	<u>75,183</u>	<u>128,853</u>	<u>(10,508)</u>	<u>83,676</u>
Nonoperating revenue	-	-	-	-	-	-
Scholarship income	-	-	-	-	-	-
Interest income	-	-	-	-	5,588	5,588
Dividend income	-	-	-	-	34,673	34,673
Net unrealized and realized gain (loss) on investments	-	-	-	-	21,377	21,377
Total nonoperating revenue	-	-	-	-	61,638	61,638
INCREASE (DECREASE) IN NET ASSETS	(123,535)	13,683	75,183	128,853	51,130	145,314
NET ASSETS, BEGINNING OF YEAR	12,268	17,162	68,427	36,104	1,726,871	1,860,832
TRANSFERS BETWEEN FUNDS	<u>137,026</u>	<u>(12,160)</u>	<u>(75,000)</u>	<u>(34,166)</u>	<u>(15,700)</u>	-
NET ASSETS, END OF YEAR	<u>\$ 25,759</u>	<u>\$ 18,685</u>	<u>\$ 68,610</u>	<u>\$ 130,791</u>	<u>\$ 1,762,301</u>	<u>\$ 2,006,146</u>

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AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

GENERAL FUND - NATIONAL HEADQUARTERS

OTHER REVENUE AND EXPENSES

Year Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Other Revenue		
Materials center	\$ 13,033	\$ 14,018
Miscellaneous revenue	261	533
Contributions	6,977	4,169
Assistantships	96,807	86,432
Internet Fee	7,012	4,587
Scholarship revenue	302	975
FGLM Subscription & other payment	27,873	29,619
Grants	<u>12,500</u>	<u>14,001</u>
	<u>\$ 164,765</u>	<u>\$ 154,334</u>
Other Expenses		
Miscellaneous expense	\$ 46,464	\$ 18,443
Chapter reimbursements	59,294	58,374
FGLM subscripton	25,414	26,257
T-shirt and pin expense	2,218	5,844
Postage meter rental	192	2,154
Insurance	1,972	4,944
Bank charges	15,582	15,370
Dues	<u>26,390</u>	<u>29,276</u>
	<u>\$ 177,526</u>	<u>\$ 160,662</u>

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AMERICAN ASSOCIATION OF TEACHERS OF FRENCH, INC.

RESTRICTED AND DESIGNATED FUND

SCHEDULE OF INVESTMENTS

Years ended June 30, 2012

<u>Description</u>	<u>Number of Shares</u>	<u>Par Value</u>	<u>Cost</u>	<u>Fair Value</u>
Common and Preferred Stock				
Consumer Discretionary	1,343		\$ 25,085	\$ 58,775
Healthcare Select SPDR	1,367		35,495	51,935
Ishares DJ US Telecommunication	510		7,893	11,460
Ishares Nasdaq Biotech	315		21,867	40,936
Ishares Dow Jones US Tech Sector	1,889		63,176	134,573
Materials Select Sector	382		7,830	13,488
Sector SPDR Consumer STPL	356		7,709	12,386
Sector SPDR Energy	580		24,641	38,475
Sector SPDR Financial	1,295		9,930	18,945
Sector SPDR Industrial	2,165		40,822	77,213
Vanguard Small Cap Value	717		50,490	48,884
Vanguard Small Cap Growth	412		30,137	34,486
Vanguard Reit	626		42,681	40,980
Vanguard European	1,795		129,003	76,893
Vanguard Pacific	610		41,029	30,585
Vanguard Emerging Markets	772		38,053	30,839
Vanguard Wellesley Income Fund Admiral Shares	5,749		267,409	330,589
			<u>843,250</u>	<u>1,051,442</u>
Government & Agency Securities				
U S Treasury Note, 4.875% due June 2012		50,000	50,826	50,004
U S Treasury Note, 4.000% due November 2012		50,000	49,412	50,709
U S Treasury Note, 3.375% due July 2013		<u>65,000</u>	<u>65,128</u>	<u>67,176</u>
		<u>\$ 165,000</u>	<u>165,366</u>	<u>167,889</u>
Index Funds				
500 Index Fund Adm			179,192	266,752
Balanced Index Fund Inv			<u>117,130</u>	<u>228,935</u>
			<u>296,322</u>	<u>495,687</u>
			<u>\$ 1,304,938</u>	<u>\$ 1,715,018</u>

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