

**NAFSA: Association of International Educators**

**Financial Statements  
and Independent Auditor's Report**

**December 31, 2025 and 2024**

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# NAFSA: Association of International Educators

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Independent Auditor's Report

To the Board of Directors  
NAFSA: Association of International Educators  
Washington, D.C.

*Opinion*

We have audited the financial statements of NAFSA: Association of International Educators ("NAFSA"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of NAFSA: Association of International Educators as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NAFSA: Association of International Educators and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NAFSA: Association of International Educators' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 NAFSA: Association of International Educators' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NAFSA: Association of International Educators' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

*CohnReznick LLP*

Bethesda, Maryland  
May 4, 2026

**NAFSA: Association of International Educators**

**Statements of Financial Position  
December 31, 2025 and 2024**

	<u>Assets</u>	
	2025	2024
Current assets		
Cash and cash equivalents	\$ 14,345,835	\$ 12,415,886
Certificates of deposit	-	726,856
Accounts receivable, net	406,392	145,899
Prepaid expenses	719,157	783,728
Total current assets	15,471,384	14,072,369
Noncurrent assets		
Investments	11,371,651	10,019,708
Property and equipment, net	1,377,042	1,589,989
Right-of-use asset operating lease	5,292,726	5,917,301
Prepaid expenses, net of current portion	133,765	72,197
Total noncurrent assets	18,175,184	17,599,195
Total assets	\$ 33,646,568	\$ 31,671,564
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable and accrued expenses	\$ 875,595	\$ 757,871
Grants payable	100,000	150,000
Deferred membership dues	1,553,695	1,588,490
Other deferred revenue	4,067,272	4,066,556
Operating lease obligation, current portion	973,020	930,556
Total current liabilities	7,569,582	7,493,473
Other liabilities	461,186	391,525
Operating lease obligation, net of current portion	7,568,938	8,541,958
Total liabilities	15,599,706	16,426,956
Commitments and contingencies		
Net assets		
Without donor restrictions	16,853,477	14,174,637
With donor restrictions	1,193,385	1,069,971
Total net assets	18,046,862	15,244,608
Total liabilities and net assets	\$ 33,646,568	\$ 31,671,564

See Notes to Financial Statements.

**NAFSA: Association of International Educators**

**Statements of Activities  
Years Ended December 31, 2025 and 2024**

	2025	2024
Revenue and support		
Conferences	\$ 13,001,526	\$ 12,385,714
Membership dues	3,122,247	3,015,875
Corporate and member support	2,011,773	1,306,501
Products and services sales	861,768	879,197
Programs and events	1,015,376	1,140,680
Other	3,213	4,902
Net assets released from restriction	5,000	150,000
	<hr/>	<hr/>
Total revenue and support	20,020,903	18,882,869
	<hr/>	<hr/>
Expenses		
Operating expenses		
Salaries, taxes, and benefits	8,339,123	7,938,967
Purchased services	1,796,290	1,696,502
Conferences and meetings	4,781,041	4,729,770
Publications and communications	53,774	47,207
Marketing and advertising	330,688	324,372
Occupancy expenses	831,614	854,732
Technology, printing, office and other	1,856,771	1,745,937
Grants	25,000	150,000
Depreciation and amortization	212,947	240,096
	<hr/>	<hr/>
Total expenses	18,227,248	17,727,583
	<hr/>	<hr/>
Change in net assets without donor restrictions before unrealized gains on investments and interest, dividends and realized gains, net of investment fees	1,793,655	1,155,286
Unrealized gains on investments	612,095	219,829
Interest, dividends and realized gains, net of investment fees	273,090	589,942
	<hr/>	<hr/>
Change in net assets without donor restrictions	2,678,840	1,965,057
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Change in net assets with donor restrictions		
Contributions	20,878	100,000
Unrealized gains on investments	69,437	67,894
Interest, dividends and realized gains, net of investment fees	38,099	28,515
Net assets released from restriction	(5,000)	(150,000)
	<hr/>	<hr/>
Change in net assets with donor restrictions	123,414	46,409
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Change in net assets	\$ 2,802,254	\$ 2,011,466
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See Notes to Financial Statements.

**NAFSA: Association of International Educators**

**Statements of Changes in Net Assets  
Years Ended December 31, 2025 and 2024**

	<u>Net assets without donor restrictions</u>	<u>Net assets with donor restrictions</u>	<u>Total</u>
Net assets at January 1, 2024	\$ 12,209,580	\$ 1,023,562	\$ 13,233,142
Change in net assets	<u>1,965,057</u>	<u>46,409</u>	<u>2,011,466</u>
Net assets at December 31, 2024	14,174,637	1,069,971	15,244,608
Change in net assets	<u>2,678,840</u>	<u>123,414</u>	<u>2,802,254</u>
Net assets at December 31, 2025	<u>\$ 16,853,477</u>	<u>\$ 1,193,385</u>	<u>\$ 18,046,862</u>

See Notes to Financial Statements.

**NAFSA: Association of International Educators**

**Statement of Functional Expenses  
Year Ended December 31, 2025**

	Program services					Supporting services					Total
	Member programs and services	Conferences	Publications	Public policy	Regional activity	Total program services	General and administrative	Organizational advancement	Governance	Total supporting services	
Salaries, taxes and benefits	\$ 3,592,926	\$ 1,457,792	\$ 498,036	\$ 820,906	\$ -	\$ 6,369,660	\$ 1,619,845	\$ 349,618	\$ -	\$ 1,969,463	\$ 8,339,123
Purchased services	258,296	631,188	110,730	64,274	8,274	1,072,762	678,343	45,185	-	723,528	1,796,290
Conferences and meetings	334,404	2,894,332	4,113	20,562	1,290,066	4,543,477	108,421	24,922	104,221	237,564	4,781,041
Publications and communications	1,725	4,050	47,999	-	-	53,774	-	-	-	-	53,774
Marketing and advertising	93,465	234,788	1,321	50	231	329,855	-	833	-	833	330,688
Occupancy expenses	346,555	138,248	55,756	87,135	-	627,694	164,840	39,080	-	203,920	831,614
Technology, printing, office and other	447,210	404,624	55,801	62,452	13,053	983,140	858,931	14,257	443	873,631	1,856,771
Grants	25,000	-	-	-	-	25,000	-	-	-	-	25,000
Depreciation and amortization	14,006	-	-	1,178	-	15,184	197,763	-	-	197,763	212,947
<b>Total expenses</b>	<b>\$ 5,113,587</b>	<b>\$ 5,765,022</b>	<b>\$ 773,756</b>	<b>\$ 1,056,557</b>	<b>\$ 1,311,624</b>	<b>\$ 14,020,546</b>	<b>\$ 3,628,143</b>	<b>\$ 473,895</b>	<b>\$ 104,664</b>	<b>\$ 4,206,702</b>	<b>\$18,227,248</b>

See Notes to Financial Statements.

**NAFSA: Association of International Educators**

**Statement of Functional Expenses  
Year Ended December 31, 2024**

	Program services					Supporting services					Total
	Member programs and services	Conferences	Publications	Public policy	Regional activity	Total program services	General and administrative	Organizational advancement	Governance	Total supporting services	
Salaries, taxes and benefits	\$ 3,342,617	\$ 1,448,170	\$ 472,631	\$ 789,547	\$ -	\$ 6,052,965	\$ 1,593,087	\$ 292,915	\$ -	\$ 1,886,002	\$ 7,938,967
Purchased services	417,610	445,477	91,922	68,521	9,585	1,033,115	618,493	38,169	6,725	663,387	1,696,502
Conferences and meetings	329,247	2,737,801	1,748	5,727	1,384,630	4,459,153	151,577	20,746	98,294	270,617	4,729,770
Publications and communications	209	-	46,998	-	-	47,207	-	-	-	-	47,207
Marketing and advertising	140,512	174,223	8,137	115	101	323,088	-	1,284	-	1,284	324,372
Occupancy expenses	355,729	150,994	53,196	82,969	-	642,888	174,243	37,601	-	211,844	854,732
Technology, printing, office and other	443,007	402,473	41,798	69,630	17,073	973,981	751,405	19,105	1,446	771,956	1,745,937
Grants	150,000	-	-	-	-	150,000	-	-	-	-	150,000
Depreciation and amortization	37,470	-	-	4,830	-	42,300	197,796	-	-	197,796	240,096
<b>Total expenses</b>	<b>\$ 5,216,401</b>	<b>\$ 5,359,138</b>	<b>\$ 716,430</b>	<b>\$ 1,021,339</b>	<b>\$ 1,411,389</b>	<b>\$ 13,724,697</b>	<b>\$ 3,486,601</b>	<b>\$ 409,820</b>	<b>\$ 106,465</b>	<b>\$ 4,002,886</b>	<b>\$17,727,583</b>

See Notes to Financial Statements.

**NAFSA: Association of International Educators**

**Statements of Cash Flows  
Years Ended December 31, 2025 and 2024**

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 2,802,254	\$ 2,011,466
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities		
Net realized gains on investments	(43,503)	(268,269)
Net unrealized gains on investments	(681,532)	(287,723)
Depreciation and amortization	212,947	240,096
Amortization of right-of-use asset operating lease	624,575	609,771
Contributions restricted to endowment	-	(50,000)
Change in		
Accounts receivable, net	(260,493)	7,944
Prepaid expenses	3,003	109,087
Accounts payable and accrued expenses	117,724	230,280
Grants payable	(50,000)	110,000
Deferred membership dues	(34,795)	33,701
Other deferred revenue	716	498,336
Operating lease obligation	(930,556)	(889,437)
Other liabilities	69,661	(14,276)
Net cash provided by operating activities	<u>1,830,001</u>	<u>2,340,976</u>
Cash flows from investing activities		
Redemptions of certificates of deposit	726,856	2,550,000
Purchases of certificates of deposit	-	(669,025)
Purchase of investments	(21,554,542)	(7,822,374)
Proceeds from sales of investments	20,927,634	6,752,243
Purchase of property and equipment	-	(42,020)
Net cash provided by investing activities	<u>99,948</u>	<u>768,824</u>
Cash flows from financing activities		
Contributions restricted to endowment	-	50,000
Net cash provided by financing activities	<u>-</u>	<u>50,000</u>
Net increase in cash and cash equivalents	1,929,949	3,159,800
Cash and cash equivalents, beginning	<u>12,415,886</u>	<u>9,256,086</u>
Cash and cash equivalents, end	<u>\$ 14,345,835</u>	<u>\$ 12,415,886</u>
Supplemental cash flow information		
Cash paid for income taxes	<u>\$ 8,371</u>	<u>\$ 21,230</u>

See Notes to Financial Statements.

## NAFSA: Association of International Educators

### Notes to Financial Statements December 31, 2025 and 2024

#### **Note 1 - Organization and significant accounting policies**

##### **Organization**

NAFSA: Association of International Educators ("NAFSA") was incorporated in Washington, D.C. in January 1989, is headquartered in Washington, D.C., and serves international educators and their institutions and organizations.

NAFSA is the world's largest and most comprehensive nonprofit association dedicated to international education and exchange, working to advance policies and practices that ensure a more interconnected, peaceful world today and for generations to come. Based in the United States, NAFSA provides high-quality programs, products, services, and physical and virtual meeting spaces for the worldwide community of international educators. As a self-supporting, not-for-profit organization, NAFSA depends on effective governance and a strong, increasingly diverse financial foundation. NAFSA celebrates innovation and values highly talented volunteer leaders and staff, and is committed to working in a professional and collegial manner and to respecting others - values that are at the heart of international education.

NAFSA believes that international education advances learning and scholarship, fosters mutual understanding and respect among individuals with different backgrounds and perspectives, is essential for developing globally competent individuals, and builds leadership for the global community. NAFSA believes that international education lies at the core of an interconnected world that values fairness, opportunity, and the well-being of all. NAFSA recognizes that a variety of perspectives in our classrooms, communities, and workplaces strengthens our collective knowledge and innovation. NAFSA seeks to conduct international education in socially, economically, and environmentally responsible ways.

NAFSA is organized into 11 regions whose purpose is to advance NAFSA's mission and respond to the needs of NAFSA members within various geographic areas around the country. NAFSA provides technical and conference registration assistance to the regions. The regions have adopted Operating Procedures that provide a framework for governance as well as various procedural guidelines, including guidelines on communications with NAFSA. Under the governance, operating agreements, policies and procedures of the regions, NAFSA exercises control over the regions and has ownership of the regions' assets and assumes the liabilities of the regions. As a result, the activities of the regions are included within the NAFSA financial statements.

##### **Basis of accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when the obligation is incurred.

##### **Use of estimates**

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

##### **Cash and cash equivalents**

NAFSA considers all highly-liquid instruments, which are to be used for current operations and which have an original maturity of three months or less, to be cash and cash equivalents, except for highly-liquid instruments held within its investment portfolios.

## NAFSA: Association of International Educators

### Notes to Financial Statements December 31, 2025 and 2024

#### **Certificates of deposit**

NAFSA holds certificates of deposit from various institutions, which are recorded at fair value.

#### **Accounts receivable**

NAFSA records accounts receivable net of an allowance for uncollectible accounts when necessary. Accounts receivable are comprised primarily of advertising and sponsorship receivables. The need for an allowance is determined based on a review of the net amount expected to be collected as of the statement of financial position date based on the credit losses expected to arise over the life of the receivable. NAFSA determined that the allowance for uncollectible accounts was \$0 for both years ended December 31, 2025 and 2024. Uncollectible amounts are charged off against the allowance for uncollectible accounts once management determines an account, or a portion thereof, to be worthless.

#### **Investments**

Investments are reported using the fair value measurement standard. Liquid instruments which are to be used for the long-term purposes of NAFSA are classified as investments. Investments include annuities relating to NAFSA's 457(b) Plan.

NAFSA reports investments in accordance with the fair value measurements of the Accounting Standards Codification. It establishes a fair value hierarchy that encourages the use of observable inputs when measuring fair value, but allows for unobservable inputs when observable inputs do not exist. The following provides a description of the three levels of inputs that may be used to measure fair value of NAFSA investments:

Level 1 - Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and provide highest quality inputs.

Level 2 - Level 2 inputs are based primarily on quoted prices for identical assets in inactive markets or similar assets in active or inactive markets or other significant market-observable inputs. Cash and money funds have been valued at the closing price reported by the fund sponsor from an actively traded exchange. Annuities are presented at the underlying fair value of the mutual funds. US treasury bills are not exchange traded investments and are valued using a market approach based on quoted prices from pricing sources utilized by investment managers. Certificates of deposit are valued based upon recently executed transactions, market price quotations and pricing models that factor in interest rates.

Level 3 - Level 3 inputs provide the lowest quality inputs because there are no significant observable inputs.

All investments have been valued using a market approach. There were no changes in the valuation techniques during the current year.

Investments that are measured at fair value using NAV as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the fair value table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

## NAFSA: Association of International Educators

### Notes to Financial Statements December 31, 2025 and 2024

#### **Alternative investment**

Through March 31, 2025, NAFSA held an investment in the PMF Fund, L.P. (the "PMF Fund"), which was considered an alternative investment. The PMF Fund began operations on March 31, 2014 and was a nondiversified, closed-end management investment company and was a liquidating fund that had an expected duration of 10 years. On March 31, 2024, the PMF Fund entered into active liquidation as mandated by the fund's governing documents. The PMF Fund was fully liquidated and NAFSA received the final distribution of its investment in the PMF Fund on March 31, 2025. As of December 31, 2024, NAFSA's investment in the PMF Fund was \$85,681.

Prior to the liquidation event of the PMF Fund, redemptions from the PMF Fund were subject to certain limitations and NAFSA reported its investment in the PMF Fund at Net Asset Value on the statements of financial position.

#### **Property and equipment**

Property and equipment in excess of \$2,500 are stated at cost and depreciated using the straight-line method over their estimated useful lives ranging from three to 10 years. Leasehold improvements are amortized using the straight-line method over the shorter of the useful lives of the improvements or the terms of the related lease.

#### **Net asset classification**

NAFSA's net assets are classified into two categories: *net assets without donor restrictions* and *net assets with donor restrictions*. Net assets without donor restrictions are net assets that are not restricted by donor stipulations for a time or purpose restriction. Net assets with donor restrictions result from contributions and bequests, investment income earned on restricted contributions, and investment income earned and appropriated from endowments. Use of net assets with donor restrictions is limited by donor-imposed purposes or time restrictions that have not yet been fulfilled by actions of NAFSA pursuant to these stipulations or by the passage of time.

Net assets with donor restrictions also result from contributions whose use is limited by donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by NAFSA's actions. The income and gains generated by these assets may be unrestricted or restricted according to donor stipulations.

#### **Revenue recognition**

**Membership dues** - NAFSA membership provides individuals with access to best-in-class programs, critical updates, resources designed to provide opportunities to partner with experienced international education leaders and peers, and advocacy for international education. Membership dues revenue is recognized over the period to which the dues apply. Other revenue received in advance and not yet earned is deferred to the applicable period.

**Conferences** - NAFSA holds various meetings and workshops centered on advancing the future of international education and exchange. Conference revenue is comprised of conference registration, exhibit and workshop revenue. Revenue from these events is recognized upon the occurrence of the events. Other revenue received in advance and not yet earned is deferred to the applicable period.

**Corporate and member support** - NAFSA offers sponsorship opportunities for various products and events, and maintains a global partnership program which allows organizations and institutions access to NAFSA's membership community and resources. Sponsorship revenues are recognized upon the occurrence of the

## NAFSA: Association of International Educators

### Notes to Financial Statements December 31, 2025 and 2024

related event or distribution of applicable product. For global partnership fees, revenue is recognized over the period to which the fees apply. Other revenue received in advance and not yet earned is deferred to the applicable period.

Programs and events - NAFSA provides essential career and program benefits to individuals via educational activities and events designed to support professional development and provide industry best-practices at all stages of a career in international education. Programs and events revenue is recognized upon the occurrence of the events. Other revenue received in advance and not yet earned is deferred to the applicable period.

Contract balances - The timing of revenue recognition, billings, and cash collections results in billed accounts receivable (contract assets) and customer advances and deposits (contract liabilities) on the statements of financial position.

As of December 31, 2025, 2024 and 2023, contract balances consist of the following:

	2025	2024	2023
Trade accounts receivable, net	\$ 406,392	\$ 145,899	\$ 153,843
Deferred membership dues	1,553,695	1,588,490	1,554,789
Other deferred revenue	4,067,272	4,066,556	3,568,220

Contributions - Transactions where the resource provider often receives value indirectly by providing a societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where NAFSA must overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if NAFSA fails to overcome the barrier. NAFSA recognizes the contribution revenue in corporate and member support on the statements of activities upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as a refundable advance. At December 31, 2025 and 2024, NAFSA had no refundable advances.

Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

Unconditional contributions are recorded as either with donor restrictions or without donor restrictions. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions received with no donor stipulations are recorded as contributions without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities as net assets released from restriction. Donor-restricted contributions whose conditions and restrictions expire during the same fiscal year are recognized as contributions without donor restrictions.

#### Income tax status

NAFSA is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The NAFSA informational and income tax returns include the activities of the 11 regions. Income from certain activities not directly related to NAFSA's tax-exempt purpose is subject to taxation as unrelated business income.

## **NAFSA: Association of International Educators**

### **Notes to Financial Statements December 31, 2025 and 2024**

Unrelated business income was received in the form of advertising and job registry revenue for the years ended December 31, 2025 and 2024. Management has analyzed the tax positions taken by NAFSA and has concluded that, as of December 31, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. NAFSA recognizes interest and penalties expense related to uncertain tax positions as a component of technology, printing, office and other on the accompanying statements of functional expenses. NAFSA reported no penalties and interest related to uncertain tax positions for the years ended December 31, 2025 and 2024. Tax years prior to 2022 are no longer subject to examination by the Internal Revenue Service or the tax jurisdiction of the District of Columbia. Income tax expense related to unrelated business taxable income was approximately \$5,500 and \$18,900 for the years ended December 31, 2025 and 2024, respectively.

#### **Description of activities**

**Member programs and services** - Represents expenses related to the provision of professional practice support information to members and the coordination and communication of membership benefits to the members and prospective members, as well as expenses related to educational activities designed to support professional development by promoting core competencies, mid-level training needs, leadership symposium programming and grants and scholarships for prospective members.

**Conferences** - NAFSA provides various workshops and meetings that serve as a forum for the latest developments in international educational exchange. These meetings offer a concentrated opportunity for the exchange of ideas and offer a network for sharing information to increase awareness of and support for international education.

**Publications** - NAFSA maintains a website and produces various publications, magazines and newsletters. These publications represent NAFSA's commitment to the ongoing enhancement of international educational exchange.

**Public policy** - Represents expenses incurred to link NAFSA members with Congress and federal agencies, advocating for support for exchange programs and for removing barriers to exchange and informing membership of government actions affecting educational exchange.

**Regional activities** - Regional expenses are comprised primarily of meeting related expenses for specific meetings and workshops at the local level as well as travel assistance to the needs of NAFSA members within their respective geographic areas.

**General and administrative expenses** - Includes the functions necessary for executive management; to maintain an adequate working environment; to maintain and support management information systems; and to manage human resources and financial and budgetary responsibilities of NAFSA.

**Organizational advancement** - Represents expenses incurred to maintain NAFSA's various fund drives as it seeks to increase awareness of and support for international education in higher education, in government and in the community.

**Governance** - Represents expenses necessary to ensure proper administrative functions of the Board of Directors and the governance structure of NAFSA.

**NAFSA: Association of International Educators**

**Notes to Financial Statements  
December 31, 2025 and 2024**

**Functional allocation of expenses**

The direct costs of providing various programs and other activities have been summarized on a functional basis. Costs incurred by a program or supporting service are charged directly to that service. Certain indirect costs have been allocated among the programs and supporting services benefitted based upon employees' departmental assignments and the direct expenditures incurred within each program.

**Subsequent events**

NAFSA has evaluated events and transactions for potential recognition or disclosure through May 4, 2026, the date the financial statements were available to be issued.

**Note 2 - Liquidity and availability of resources**

Typically, NAFSA strives to maintain liquid financial assets sufficient to cover a rolling three months of general operating expenditures. Financial assets in excess of three months of cash requirements are invested in certificates of deposit and short-term investments, and financial assets in excess of one year are invested according to NAFSA's Board-approved Investment Policy Statement.

The following table reflects NAFSA's financial assets as of December 31, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position. Amounts not available include certain 457(b) plan assets, alternative investments with redemption limitations as more fully described in Note 1, and net assets with donor-imposed restrictions.

In the event the need arises, the long-term investments could be liquidated to meet operational needs and are not excluded in the following table. NAFSA also maintains a credit facility with Bank of America, N.A. through Merrill Lynch as an additional source of liquidity. Note 6 contains further information about NAFSA's line of credit, including its borrowing capacity:

	December 31,	
	2025	2024
Financial assets		
Cash and cash equivalents	\$ 14,345,835	\$ 12,415,886
Certificates of deposit	-	726,856
Investments	11,371,651	10,019,708
Accounts receivable, net	406,392	145,899
	26,123,878	23,308,349
Less those unavailable for general expenditure within one year due to		
457(b) plan investment assets	(461,186)	(391,525)
Investments with redemption limitations	-	(20,524)
Investments subject to donor restrictions	(1,193,385)	(1,069,971)
	(1,654,571)	(1,482,020)
Financial assets available to meet cash needs for general expenditures within one year	\$ 24,469,307	\$ 21,826,329

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**Notes to Financial Statements  
December 31, 2025 and 2024**

**Note 3 - Concentration of credit risk**

NAFSA maintains balances at banks in excess of Federal Deposit Insurance Corporation coverage. The total amount of uninsured deposits at December 31, 2025 and 2024, amounted to approximately \$12,829,000 and \$9,784,000, respectively.

**Note 4 - Investments**

Investments consist of the following at:

	December 31,	
	2025	2024
Cash and money funds	\$ 107,753	\$ 458,578
US Treasury bills	4,599,093	3,446,056
Equity securities	385,030	347,214
Mutual funds - equity	529,077	595,174
Mutual funds - fixed income	242,299	57,283
Exchange-traded funds - equity	3,411,341	3,000,327
Exchange-traded funds - fixed income	1,635,872	1,703,027
Alternative investment	-	20,524
Annuities - deferred compensation plan	461,186	391,525
	<u>\$ 11,371,651</u>	<u>\$ 10,019,708</u>

Investments include endowments which had a fair value of \$1,159,065 and \$1,006,589 at December 31, 2025 and 2024, respectively.

Investment income consists of the following for the years ended:

	December 31, 2025		
	Without donor restrictions	With donor restrictions	Total
Interest and dividends	\$ 236,720	\$ 30,966	\$ 267,686
Realized gains on sales of investments, net	36,370	7,133	43,503
	273,090	38,099	311,189
Unrealized gains, net	612,095	69,437	681,532
	<u>\$ 885,185</u>	<u>\$ 107,536</u>	<u>\$ 992,721</u>

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**Notes to Financial Statements  
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	December 31, 2024		
	Without donor restrictions	With donor restrictions	Total
Interest and dividends	\$ 317,879	\$ 32,309	\$ 350,188
Realized gains (losses) on sales of investments, net	272,063	(3,794)	268,269
	589,942	28,515	618,457
Unrealized gains, net	219,829	67,894	287,723
	<u>\$ 809,771</u>	<u>\$ 96,409</u>	<u>\$ 906,180</u>

**Note 5 - Property and equipment, net**

Property and equipment consist of the following at:

	December 31,	
	2025	2024
Leasehold improvements	\$ 2,047,261	\$ 2,047,261
Furniture and equipment	343,774	343,774
Computer equipment and software	824,375	824,375
	3,215,410	3,215,410
Less accumulated depreciation and amortization	(1,838,368)	(1,625,421)
Net property and equipment	<u>\$ 1,377,042</u>	<u>\$ 1,589,989</u>

Depreciation and amortization expense totaled \$212,947 and \$240,096 for the years ended December 31, 2025 and 2024, respectively.

**Note 6 - Line of credit**

NAFSA maintains a credit facility with Bank of America, N.A. through Merrill Lynch. The facility is secured by selected investment securities held through Merrill Lynch and due on demand. The credit facility accrues interest at the Bloomberg Short-Term Yield Index rate plus a spread as determined by the bank. Effective August 19, 2024, the Bloomberg Short-Term Yield Index rate was replaced with the daily Secured Overnight Funding Rate (SOFR). The spread was 1.75% in both 2025 and 2024. The borrowing capacity under the facility fluctuates in proportion to the pledged collateral, which had a fair value of \$6,216,500 and \$5,949,631 at December 31, 2025 and 2024, respectively. NAFSA's borrowing capacity under the facility was \$3,027,154 and \$3,375,684 at December 31, 2025 and 2024, respectively. However, at both December 31, 2025 and 2024, NAFSA maintained the ability to reinvest pledged collateral into eligible securities to increase its borrowing capacity. This credit facility is maintained to finance working capital requirements. The credit facility was not used during 2025 or 2024.

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**Notes to Financial Statements  
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**Note 7 - Lease**

In October 2020, NAFSA entered into a lease agreement for new office space with an effective date of March 12, 2021. The lease has an expiration date of July 31, 2033 and includes an early termination option effective March 1, 2030, exercisable at the option of NAFSA and subject to a termination payment when exercised. The lease also contains one five-year renewal option. Beginning March 12, 2021, the lease requires monthly base rent payments of \$81,715 escalating at 2.5% per year with an abatement of rent payments for the first 24 months of the lease term. The lease also requires NAFSA to pay a prorated share of the building's annual operating expenses and real estate taxes in excess of established base amounts. The lease provided a tenant improvement allowance of \$2,493,000 and funds not utilized for tenant improvements were eligible for conversion to additional rent abatement. In 2021, NAFSA converted \$445,739 of unused tenant improvement funds into rent abatement through July 2023 with partial coverage into August 2023. Lease expense, including NAFSA's prorated share of the annual operating expenses and real estate taxes, totaled \$821,018 and \$836,196 for 2025 and 2024, respectively, and is included in occupancy expenses on the accompanying statements of activities. Additionally, in accordance with the lease agreement, in lieu of a security deposit, NAFSA established an irrevocable standby letter of credit in favor of the landlord in the amount of \$163,430.

Future minimum lease payments under the office lease agreement for the year ended 2025 are as follows:

Year ending December 31,		
2026	\$	1,105,036
2027		1,132,681
2028		1,160,990
2029		1,189,964
2030		1,219,742
Thereafter		3,295,718
Subtotal		9,104,131
Less imputed interest		(562,173)
Present value of net minimum lease payments		8,541,958
Less operating lease obligation, current		(973,020)
Operating lease obligation, net of current	\$	7,568,938

The operating lease obligation as of December 31, 2024 was \$9,472,514.

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**Notes to Financial Statements  
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**Other lease information**

	2025	2024
Cash paid for amounts included in the measurement of lease obligations	\$ 1,078,056	\$ 1,051,741
Weighted-average annual discount rate operating leases	1.63%	1.63%
Weighted-average remaining lease term (years)	7.5	8.5

**Note 8 - Net assets with donor restrictions**

As of December 31, 2025 and 2024, net assets with donor restrictions are restricted for the following purposes:

Subject to expenditure for specified purpose, or restricted in perpetuity:

	December 31,	
	2025	2024
Purpose		
Endowment - Scholarships	\$ 350,466	\$ 244,603
Endowment - Awards	96,816	100,143
Professional development	27,003	6,125
Total purpose restricted net assets	474,285	350,871
Perpetual - endowment		
Scholarships	719,100	719,100
Total net assets with restrictions	\$ 1,193,385	\$ 1,069,971

**Note 9 - Endowments**

**Interpretation of relevant law**

In December 1988, NAFSA was named as the remainderman in an irrevocable unitrust agreement executed by Tamara H. Bryant. As the remainderman listed in the trust, NAFSA and Mrs. Bryant executed an agreement in January 1989 designating these funds to the "Tamara H. Bryant Endowed Scholarship Fund". In 2006, NAFSA received \$719,059 from the unitrust and in 2007 an additional \$41 was donated, which brings the total principal balance of the fund to \$719,100.

In May 2024, NAFSA entered into a gift agreement with John and Anne Hudzik to establish The John and Anne Hudzik Prize for Sustained Leadership and Contribution to Higher Education Internationalization ("The Hudzik Prize"). NAFSA received \$50,000 in June 2024 with the remaining \$50,000 received in July 2025. The outstanding balance for 2024 is recorded as a component of accounts receivable, net on the accompanying statements of financial position.

## NAFSA: Association of International Educators

### Notes to Financial Statements December 31, 2025 and 2024

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), which became effective in the District of Columbia in July 2008, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary, and has designated the Finance & Audit Committee of the Board of Directors to act as agent for the Board to implement the policy. As a result of this interpretation, NAFSA classifies as an endowment (a) the original value of gifts to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in the endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by NAFSA in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, NAFSA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the funds
2. The purposes of NAFSA and the donor-restricted endowment funds
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of NAFSA
7. The investment policies of NAFSA

#### **Return objectives and risk parameters**

The investment policy establishes a benchmark return objective through diversification of asset classes. The primary return benchmark of the portfolio is to produce a level of return in excess of the market as represented by a benchmark index or mix of indexes reflective of the portfolio's return objectives and risk tolerance, and is based on policy allocation targets. A secondary performance target of the portfolio is a total return objective of 7% net of investment fees over three- to five-year rolling time periods and a full market cycle. Actual returns in any given year may vary from this amount. To satisfy its long-term rate of return objectives and reduce the overall volatility of the portfolio, NAFSA has divided its portfolio into two segments. One segment is designed to pursue an absolute return strategy and the other is to pursue a relative return strategy. The absolute return strategy is comprised of alternative assets using funds that can be invested for infinite time periods. The relative return strategy is comprised of a traditional allocation of stocks, fixed income and cash that more closely track securities market fluctuations. Both segments aspire to integrate socially responsible investments into the overall portfolio via sustainable, socially conscious and ethical investments while seeking to consider both financial return and social good to bring about a positive social change.

#### **Strategies employed for achieving objectives**

To satisfy its long-term rate-of-return objectives, NAFSA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

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**Notes to Financial Statements  
December 31, 2025 and 2024**

**Spending policy and how the investment objectives relate to spending policy**

Based on the Tamara H. Bryant Endowed Scholarship Fund agreement, the income earned on the principal of the endowment is to be used to provide recognition and financial assistance to outstanding Burmese or East Asian students enrolled or planning to enroll in graduate schools in the United States, or outstanding African American students enrolled or planning to enroll in a study abroad program through an accredited university or college. Each candidate must demonstrate financial need for funds to meet tuition and fees for his or her educational program. The John and Anne Hudzik Prize for Sustained Leadership and Contribution to Higher Education Internationalization ("The Hudzik Prize") gift agreement provides for one annual award beginning in 2025 to individuals who have demonstrated sustained contributions over several years to the field of higher education in two or more of the following ways: scholarship, administrative leadership, community engagement, and education. An Award Committee will be convened to select a winner from an annual nomination process established by NAFSA. The Endowment Policy establishes an Endowment Fund Program Committee of the Board of Directors and provides that this committee shall review at least annually and recommend appropriate action to the Board of Directors for the distribution of income and asset appreciation of the general fund and donor designated funds.

Changes in endowment net assets for the years ended December 31, 2025 and 2024, are summarized below:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, January 1, 2024	\$ -	\$ 1,017,437	\$ 1,017,437
Contributions	-	100,000	100,000
Interest, dividends and realized gains, net of fees	-	28,515	28,515
Unrealized gains	-	67,894	67,894
Appropriations	-	(150,000)	(150,000)
Changes in endowment net assets	-	46,409	46,409
Endowment net assets, December 31, 2024	-	1,063,846	1,063,846
Contributions	-	20,878	20,878
Interest, dividends and realized losses, net of fees	-	38,099	38,099
Unrealized gains	-	69,437	69,437
Appropriations	-	(5,000)	(5,000)
Changes in endowment net assets	-	123,414	123,414
Endowment net assets, December 31, 2025	\$ -	\$ 1,187,260	\$ 1,187,260

## **NAFSA: Association of International Educators**

### **Notes to Financial Statements December 31, 2025 and 2024**

#### **Note 10 - Retirement plans**

NAFSA maintains a 403(b) plan (the "Plan") under which employees can make elective deferrals to the Plan. The Plan covers all employees who meet certain eligibility requirements. The Plan contains a nondiscretionary match of 3% of compensation, a discretionary employer contribution, and a discretionary employer match. The discretionary employer match for 2025 and 2024 ranged from 0% to 4%, depending on the level of individual employee contributions. Employer contributions to the Plan for the years ended December 31, 2025 and 2024 were \$441,185 and \$420,809, respectively.

NAFSA also maintains a participant directed deferred compensation plan in accordance with Section 457(b) of the Internal Revenue Code. The deferred compensation plan covers top-hat employees of NAFSA as defined in the deferred compensation plan documents. All contributions to the deferred compensation plan are from elective deferrals from eligible employees' wages. NAFSA does not contribute any nonelective funds to the deferred compensation plan. On the accompanying statements of financial position, deferred compensation plan assets of \$461,181 and \$391,525 are included in investments, and deferred compensation plan liabilities of \$461,181 and \$391,525 are reported as other liabilities as of December 31, 2025 and 2024, respectively. NAFSA's deferred compensation plan assets remain subject to the claims of NAFSA's general creditors.

#### **Note 11 - Commitments and contingency**

NAFSA has executed contracts for future annual conferences through 2032. In the event of cancellation, NAFSA may be required to pay various costs as stipulated in the contracts, the amounts of which are dependent upon the respective dates of cancellation. NAFSA has obtained event cancellation insurance to cover potential liabilities arising from a cancellation of its 2026, 2027 and 2028 conferences. The insurance has exclusions regarding communicable diseases and other causes. As of May 4, 2026, there are no plans to cancel future annual conferences.

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**Notes to Financial Statements  
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**Note 12 - Fair value measurements**

Fair values of assets measured on a recurring basis as of December 31, 2025 and 2024 are as follows:

	Fair value measurement at reportable date using				
	Fair value	Net asset value	Quoted prices in active markets for identical assets/liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<u>December 31, 2025</u>					
Assets					
Cash and money funds	\$ 107,753	\$ -	\$ 107,753.00	\$ -	\$ -
Certificates of deposit	-	-	-	-	-
US Treasury bills	4,599,093	-	-	4,599,093	-
Equity securities	385,030	-	385,030	-	-
Mutual funds - equity	529,077	-	529,077	-	-
Mutual funds - fixed income	242,299	-	242,299	-	-
Exchange-traded funds - equity	3,411,341	-	3,411,341	-	-
Exchange-traded funds - fixed income	1,635,872	-	1,635,872	-	-
Alternative investment - limited partnership	-	-	-	-	-
Annuities	461,186	-	22,583	377,049	61,554
	<u>\$ 11,371,651</u>	<u>\$ -</u>	<u>\$ 6,333,955</u>	<u>\$ 4,976,142</u>	<u>\$ 61,554</u>
Liabilities					
Other liabilities	<u>\$ (461,186)</u>	<u>\$ -</u>	<u>\$ (22,583)</u>	<u>\$ (377,049)</u>	<u>\$ (61,554)</u>
<u>December 31, 2024</u>					
Assets					
Cash and money funds	\$ 458,578	\$ -	\$ -	\$ 458,578	\$ -
Certificates of deposit	726,856	-	-	726,856	-
US Treasury bills	3,446,056	-	-	3,446,056	-
Equity securities	347,214	-	347,214	-	-
Mutual funds - equity	595,174	-	595,174	-	-
Mutual funds - fixed income	57,283	-	57,283	-	-
Exchange-traded funds - equity	3,000,327	-	3,000,327	-	-
Exchange-traded funds - fixed income	1,703,027	-	1,703,027	-	-
Alternative investment - limited partnership	20,524	20,524	-	-	-
Annuities	391,525	-	-	333,012	58,513
	<u>\$ 10,746,564</u>	<u>\$ 20,524</u>	<u>\$ 5,703,025</u>	<u>\$ 4,964,502</u>	<u>\$ 58,513</u>
Liabilities					
Other liabilities	<u>\$ (391,525)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (333,012)</u>	<u>\$ (58,513)</u>

NAFSA purchased \$3,042 and \$2,186 of Level 3 assets during the years ended December 31, 2025 and 2024, respectively. There were no transfers into or out of Level 3 of the fair value hierarchy above, nor were there any issues of Level 3 assets or liabilities during the years ended December 31, 2025 and 2024.



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