

**American Historical Association**

**Financial Statements**  
*(With Independent Auditors' Report)*

**For the years ended June 30, 2008 and 2007**

# AMERICAN HISTORICAL ASSOCIATION

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The Council of  
American Historical Association  
Washington, DC

### Independent Auditors' Report

We have audited the accompanying statement of financial position of the American Historical Association as of June 30, 2008 and 2007 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 the 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 Historical Association as of June 30, 2008 and 2007, and its 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.

Our audits were made for the purpose of forming an opinion on the basic financial statements of the American Historical Association taken as a whole. The accompanying supplemental statements of expenses by program, net assets by classification and general operations for the years ended June 30, 2008 and 2007 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information for the years ended June 30, 2008 and 2007 has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads 'McMaster &amp; Associates PC'.

November 4, 2008  
Washington, DC

AMERICAN HISTORICAL ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2008 and 2007

<u>ASSETS</u>	<u>2008</u>	<u>2007</u>	<u>LIABILITIES AND NET ASSETS</u>	<u>2008</u>	<u>2007</u>
Current assets:			Current liabilities:		
Cash and equivalents	\$ 516,818	\$ 1,016,952	Accounts payable	\$ 75,135	\$ 113,251
Accounts receivable	187,171	63,542	Accrued expenses	172,384	167,066
Grants and pledges receivable	23,391	15,797	Deferred revenue:		
Interest and dividends receivable	19,565	16,241	Memberships	717,897	691,700
Inventory	148,991	101,698	Subscriptions	-	370,798
Prepaid expenses	28,660	30,525	Annual meeting	57,402	132,750
			Life memberships - current portion	9,090	7,827
Total current assets	924,596	1,244,755			
			Total current liabilities	1,031,908	1,483,392
Fixed assets:					
Land	8,000	8,000	Life memberships - long term	49,030	39,662
Building and improvements	558,003	542,770			
Furniture and equipment	522,658	508,844	Total liabilities	1,080,938	1,523,054
	1,088,661	1,059,614			
Less: accumulated depreciation	(669,240)	(618,744)	Net assets:		
			Unrestricted:		
Net fixed assets	419,421	440,870	Undesignated	617,277	224,051
			Designated	1,955,101	2,260,159
Other assets			Total unrestricted	2,572,378	2,484,210
Investments - long term	3,406,654	3,694,749	Temporarily restricted	575,950	851,990
Deposits	715	1,000	Permanently restricted	522,120	522,120
Total other assets	3,407,369	3,695,749	Total net assets	3,670,448	3,858,320
Total assets	<u>\$ 4,751,386</u>	<u>\$ 5,381,374</u>	Total liabilities and net assets	<u>\$ 4,751,386</u>	<u>\$ 5,381,374</u>

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2008 and 2007

	2008				2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUE AND SUPPORT</b>								
Membership dues	\$ 1,176,571	\$ -	\$ -	\$ 1,176,571	\$ 1,140,128	\$ -	\$ -	\$ 1,140,128
Annual Conference	1,014,423	-	-	1,014,423	752,540	-	-	752,540
American Historical Review Publications	650,541	-	-	650,541	900,982	-	-	900,982
Grants and contributions	640,897	-	-	640,897	692,483	-	-	692,483
Interest and dividends	20,810	86,053	-	106,863	35,789	35,625	-	71,414
Realized gains and losses on investments	31,134	97,361	-	128,495	102,345	29,434	-	131,779
Unrealized losses on investments	(7,251)	(22,674)	-	(29,925)	247,800	71,266	-	319,066
Net assets released from restriction	(88,151)	(275,660)	-	(363,811)	142,121	40,873	-	182,994
	161,120	(161,120)	-	-	125,774	(125,774)	-	-
<b>Total revenue and support</b>	<b>3,600,094</b>	<b>(276,040)</b>	<b>-</b>	<b>3,324,054</b>	<b>4,139,961</b>	<b>51,425</b>	<b>-</b>	<b>4,191,386</b>
<b>EXPENSES</b>								
<b>Programs:</b>								
American Historical Review	559,218	-	-	559,218	759,716	-	-	759,716
Annual Meeting	617,097	-	-	617,097	621,107	-	-	621,107
Membership	305,569	-	-	305,569	333,341	-	-	333,341
Publications	794,644	-	-	794,644	948,296	-	-	948,296
Grants	255,247	-	-	255,247	100,603	-	-	100,603
Special Funds and Prizes	34,454	-	-	34,454	45,084	-	-	45,084
Total programs	2,566,229	-	-	2,566,229	2,808,147	-	-	2,808,147
<b>Support services:</b>								
General and Administrative	331,956	-	-	331,956	256,076	-	-	256,076
Council	613,741	-	-	613,741	620,833	-	-	620,833
Total support services	945,697	-	-	945,697	876,909	-	-	876,909
<b>Total expenses</b>	<b>3,511,926</b>	<b>-</b>	<b>-</b>	<b>3,511,926</b>	<b>3,685,056</b>	<b>-</b>	<b>-</b>	<b>3,685,056</b>
Change in net assets	88,167	(276,040)	-	(187,872)	454,905	51,425	-	506,330
Net assets, beginning of year	2,484,210	851,990	522,120	3,858,320	2,029,305	800,565	522,120	3,351,990
Net assets, end of year	\$ 2,572,377	\$ 575,950	\$ 522,120	\$ 3,670,448	\$ 2,484,210	\$ 851,990	\$ 522,120	\$ 3,858,320

See accompanying notes and independent auditors' report.

**AMERICAN HISTORICAL ASSOCIATION**

**STATEMENTS OF CASH FLOWS**

**For the years ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets:	\$ (187,872)	\$ 506,330
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	53,659	50,684
Unrealized (gain) loss on investments	363,811	(182,994)
Accounts receivable	(123,629)	5,907
Grants and pledges receivable	(7,594)	(14,499)
Interest and dividends receivable	(3,324)	(2,393)
Inventory	(47,293)	47,417
Prepaid expenses	1,865	(10,450)
Accounts payable	(38,116)	(105,422)
Accrued expenses	5,318	14,823
Deferred revenue	(409,318)	18,648
Total adjustments	<u>(204,621)</u>	<u>(178,279)</u>
Net cash provided (used) by operating activities	(392,493)	328,051
Cash flows from investing activities		
Purchase of investments	(2,152,146)	(1,782,437)
Sale of investments	2,073,552	1,718,462
Purchase of fixed assets	<u>(29,047)</u>	<u>(11,776)</u>
Net cash used by investing activities	<u>(107,641)</u>	<u>(75,751)</u>
Net increase (decrease) in cash and equivalents	(500,134)	252,300
Cash and equivalents, beginning of year	<u>1,016,952</u>	<u>764,652</u>
Cash and equivalents, end of year	<u>\$ 516,818</u>	<u>\$ 1,016,952</u>
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes and independent auditors' report.

# AMERICAN HISTORICAL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008 and 2007

### 1. DESCRIPTION OF THE ORGANIZATION

The American Historical Association (the Association) is a District of Columbia non-stock corporation founded in 1884 and incorporated by Congress in 1889 for the promotion of historical studies, the collection and preservation of historical manuscripts, and the dissemination of historical research.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

#### Cash and Equivalents

The Association considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

#### Pledges Receivable

Pledges receivable represents amounts which have been promised but not yet received. Pledges beyond one year are discounted to reflect the present value of the pledge.

#### Investments

Investments are recorded at market value. Realized and unrealized gains and losses on investments are reported on the statement of activities as they occur.

#### Inventory

Inventory consists of publications and is stated at the lower of cost or market, based on the FIFO (first-in, first-out) method of accounting.

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2008 and 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets

Furniture and equipment are reported at cost. Assets and capital lease purchases are depreciated over a three to five year estimated life using the straight line method. Depreciation expense for the years ended June 30, 2008 and 2007 was \$53,659 and \$50,684, respectively.

Accounts Receivable

Accounts receivable is recorded net of an allowance for uncollectible receivables, based on management's evaluation of outstanding accounts receivable at year end. The allowance for uncollectible receivables was \$63,309 and \$59,156 for the years ended June 30, 2008 and 2007, respectively.

Deferred Revenue

The Association records income for membership dues, subscriptions, registration fees and publication advertising which have been paid in advance as deferred revenue.

Net Assets

Net assets are reported by the Association in accordance with Financial Accounting Standards Board (FASB) 116 and 117. Accordingly, net assets have been reported using the following categories.

Unrestricted

Unrestricted net assets represent resources over which the Council has discretionary control and are used to carry out operations of the Association in accordance with their bylaws.

The Council's designated fund, included as part of the unrestricted net assets, was established to accumulate a reserve for the Association.

# AMERICAN HISTORICAL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008 and 2007

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Net Assets (Continued)

##### Temporarily Restricted

Temporarily restricted net assets represent contributions and grants, which have been restricted by donors for specific programs or activities. Restrictions, which have been met by the passage of time or expenditure of net assets, are reported as revenues released from restrictions on the statement of activities. For the years ended June 30, 2008 and 2007, the Association received \$86,053 and \$35,625 in temporarily restricted contributions and grants, respectively.

##### Permanently Restricted Funds

Permanently restricted net assets represent contributions which have been restricted by donors indefinitely. Investment income generated from the principal of the permanently restricted net assets is used to fulfill programs and the general operations of the Association. For the years ended June 30, 2008 and 2007 the Association did not receive any permanently restricted contributions.

##### Gifts and bequests of property

Gifts and bequests of property are recorded at the earlier of the date received or when the bequest is no longer subject to probate and its value can be reasonably estimated. Gifts and bequests are valued at their estimated fair market value on the date they are recorded.

##### Donated Services and Materials

Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. During 2008 and 2007, the Association did not receive any donated materials or services.

# AMERICAN HISTORICAL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008 and 2007

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Income Taxes

The Association is a nonprofit organization, which is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code. However, the Association is subject to unrelated business income tax for activities conducted outside its tax exempt purpose. The Association conducted unrelated business activities that resulted in net operating losses during 2008 and 2007, respectively, accordingly no provision for income taxes was recorded.

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### 3. INVESTMENTS

The value of investments was as follows:

	June 30, 2008		June 30, 2007	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
U.S. Treasury notes and bonds	\$ 893,247	\$ 926,347	\$ 774,390	\$ 767,860
Certificates of deposit	83,545	83,545	79,753	79,753
Corporate bonds	415,206	408,600	587,866	567,609
Corporate securities	<u>2,124,824</u>	<u>1,988,162</u>	<u>1,989,966</u>	<u>2,279,527</u>
Total	<u>\$ 3,516,822</u>	<u>\$ 3,406,654</u>	<u>\$ 3,431,975</u>	<u>\$ 3,694,749</u>

The market value of stocks is estimated based on quoted market prices for those investments. None of the investments are held for trading purposes.

# AMERICAN HISTORICAL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008 and 2007

### 4. RETIREMENT PLAN

The Association maintains a qualifying defined contribution retirement plan for qualifying full-time employees under Internal Revenue Code Section 403(b). The Association contributes up to a maximum of 10 percent of the employee's total annual compensation to the plan each year. The contributions are fully vested and nonforfeitable. For the years ended June 30, 2008 and 2007, contributions to the plan were \$89,056 and \$83,037, respectively. There were no contributions due to the plan at June 30, 2008 and 2007, respectively.

### 5. COMMITMENTS

During 2001, the Association entered into an agreement with three other collaborators for the purpose of producing electronic versions of journals published by the Association and one of the other signers. The terms of the agreement have expired, however the Association plans to contribute \$35,000 annually to the project.

The Association has entered into agreements for rental of space for the annual meeting. The Association is required to pay a portion of the anticipated room revenues in the event that the conference is canceled. Cancellation insurance has been obtained by the Association to offset any potential future losses. The Association anticipates that all minimum room rental requirements will be met.

### 6. CONCENTRATION OF RISK

The Association maintains cash balances in a financial institution which is insured by the Federal Deposit Insurance Corporation for amounts up to \$100,000. The Association is exposed to concentrations of credit risk at times when cash balances exceed the FDIC limit. The Association has not experienced any losses and believes they are not exposed to significant risk.

## **SUPPLEMENTAL INFORMATION**

AMERICAN HISTORICAL ASSOCIATION  
SUPPLEMENTAL STATEMENT OF EXPENSES BY PROGRAM

For the year ended June 30, 2008

	Programs						Support Services		Total Support Services		Total
	American Historical Review	Annual Meeting	Membership	Publications	Grants	Special Funds and Prizes	Total Programs	General and Administrative	Council	Total	
Salaries and fringe benefits	\$ 32,420	\$ 121,571	\$ 144,080	\$ 336,514	\$ 19,888	\$ -	\$ 654,473	\$ 467,903	\$ 314,337	\$ 782,240	\$ 1,436,713
Bad debts	-	-	-	-	-	-	-	4,153	-	4,153	4,153
Bank fees and service charges	-	22,943	-	-	-	-	22,943	59,517	-	59,517	82,460
Communications	14	30	564	-	-	-	608	29,385	-	29,385	29,993
Contractors	391,360	16,986	-	-	24,764	-	433,110	15,939	7,452	23,391	456,501
Contributions and coalition	19,541	-	5,365	-	-	-	24,906	134,578	-	134,578	159,484
Depreciation	-	-	-	3,163	-	-	3,163	50,496	-	50,496	53,659
Dues and subscriptions	150	400	771	-	-	-	1,321	9,414	-	9,414	10,735
Equipment rental and maintenance	4,035	8,000	-	-	-	-	12,035	35,047	-	35,047	47,082
Insurance	-	4,342	-	-	-	-	4,342	4,466	-	4,466	8,808
Meetings and conferences	593	194,989	1,200	-	15,000	-	211,782	5,239	21,054	26,293	238,075
Miscellaneous	282	890	-	-	-	-	1,172	-	150	150	1,322
Office expense	2,320	3,440	1,544	-	3,008	-	10,312	25,386	11,188	36,574	46,886
Postage and delivery	17,410	44,541	21,092	67,010	-	-	150,053	8,453	-	8,453	158,506
Printing and duplicating	52,724	79,843	28,212	137,159	-	-	297,938	13,010	-	13,010	310,948
Prizes, grants and honorariums	3,000	680	-	-	177,582	33,400	214,662	-	12,055	12,055	226,717
Professional fees	-	-	-	6,045	940	-	6,985	52,985	-	52,985	59,970
Publicity and advertising	-	571	-	-	-	-	571	-	-	-	571
Repairs and maintenance	-	-	-	-	-	-	-	41,410	-	41,410	41,410
Storage	50	-	-	5,955	-	-	6,005	7,345	-	7,345	13,350
Supplies	3,358	-	-	100	-	-	3,458	637	-	637	4,095
Taxes, licenses and permits	-	215	-	-	-	-	215	11,352	-	11,352	11,567
Travel	8,927	31,431	515	-	-	1,054	41,927	24,384	24,503	48,887	90,814
Utilities	-	-	-	-	-	-	-	18,107	-	18,107	18,107
Total expense, before overhead allocation	536,184	530,872	203,343	555,946	241,182	34,454	2,101,981	1,019,206	390,739	1,409,945	3,511,926
Overhead allocation	23,034	86,225	102,226	238,698	14,065	-	464,248	(687,250)	223,002	(464,248)	-
Total expense	\$ 559,218	\$ 617,097	\$ 305,569	\$ 794,644	\$ 255,247	\$ 34,454	\$ 2,566,229	\$ 331,956	\$ 613,741	\$ 945,697	\$ 3,511,926

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION  
SUPPLEMENTAL STATEMENT OF EXPENSES BY PROGRAM

For the year ended June 30, 2007

	Programs						Support Services		Total Support Services		Total
	American Historical Review	Annual Meeting	Membership	Publications	Grants	Special Funds and Prizes	Total Programs	General and Administrative	Council	Total	
Salaries and fringe benefits	\$ 34,066	\$ 140,108	\$ 145,652	\$ 354,303	\$ 1,370	\$ -	\$ 675,499	\$ 421,029	\$ 322,232	\$ 743,261	\$ 1,418,760
Bad debts	-	-	-	-	-	-	-	18,235	-	18,235	18,235
Bank fees and service charges	-	-	-	-	10	-	10	65,395	-	65,395	65,405
Communications	133	13	440	7,498	-	-	8,084	19,918	2,827	22,745	30,829
Contractors	400,528	28,824	28,892	350	11,358	-	469,952	41,433	11,549	52,982	522,934
Contributions and coalition	39,082	-	-	-	-	-	39,082	94,332	-	94,332	133,414
Depreciation	3,174	-	-	-	-	-	3,174	50,684	-	50,684	53,858
Dues and subscriptions	-	-	14,655	310	-	-	14,965	8,794	-	8,794	23,759
Equipment rental and maintenance	-	-	-	-	-	-	-	26,874	-	26,874	26,874
Insurance	-	2,916	-	-	-	-	2,916	17,689	-	17,689	20,605
Meetings and conferences	1,491	199,335	-	-	300	-	201,126	2,037	19,871	21,908	223,034
Miscellaneous	-	2,304	670	1,116	-	-	4,090	2,109	-	2,109	6,199
Office expense	3,200	3,234	-	292	250	-	6,976	18,590	12,873	31,463	38,439
Postage and delivery	71,436	33,493	20,877	47,988	-	-	173,794	12,740	-	12,740	186,534
Printing and duplicating	150,695	77,865	20,871	286,125	-	-	535,556	11,878	-	11,878	547,434
Prizes, grants and honorariums	-	12,751	-	750	85,087	44,122	142,710	-	211	211	142,921
Professional fees	1,350	-	-	-	884	-	2,234	58,969	-	58,969	61,203
Publicity and advertising	-	1,510	896	-	-	636	3,042	-	-	-	3,042
Repairs and maintenance	-	-	-	-	-	-	-	21,947	-	21,947	21,947
Storage	9,579	-	353	5,524	-	-	15,456	6,165	-	6,165	21,621
Supplies	10,038	-	-	-	-	-	10,038	7,353	-	7,353	17,391
Taxes, licenses and permits	-	127	-	800	-	-	927	9,802	-	9,802	10,729
Travel	11,567	22,391	-	20	370	326	34,674	9,865	30,063	39,928	74,602
Utilities	-	-	-	-	-	-	-	15,287	-	15,287	15,287
<b>Total expense, before overhead allocation</b>	<b>736,339</b>	<b>524,871</b>	<b>233,306</b>	<b>705,076</b>	<b>99,629</b>	<b>45,084</b>	<b>2,344,305</b>	<b>941,125</b>	<b>399,626</b>	<b>1,340,751</b>	<b>3,685,056</b>
<b>Overhead allocation</b>	<b>23,377</b>	<b>96,236</b>	<b>100,035</b>	<b>243,220</b>	<b>974</b>	<b>-</b>	<b>463,842</b>	<b>(685,049)</b>	<b>221,207</b>	<b>(463,842)</b>	<b>-</b>
<b>Total expense</b>	<b>\$ 759,716</b>	<b>\$ 621,107</b>	<b>\$ 333,341</b>	<b>\$ 948,296</b>	<b>\$ 100,603</b>	<b>\$ 45,084</b>	<b>\$ 2,808,147</b>	<b>\$ 256,076</b>	<b>\$ 620,833</b>	<b>\$ 876,909</b>	<b>\$ 3,685,056</b>

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2008

	Beginning of Year		Investment				End of Year		Investment		End of Year		Investment		End of Year		
	Permanently Restricted	Temporarily Restricted	Unrestricted		Total	Income	Expense	Gains, and Unrealized Losses	Fees	Transfers	Permanently Restricted	Temporarily Restricted	Unrestricted		Total	Total	
			Designated	Undesignated									Designated	Undesignated			
<b>Prize Funds</b>																	
Herbert Baxter Adams Prize Fund	\$ 5,000	\$ 23,442	\$ -	\$ -	\$ -	\$ 28,442	\$ -	\$ (1,000)	\$ (2,179)	\$ (243)	\$ -	\$ 5,000	\$ 20,020	\$ -	\$ -	\$ -	\$ 25,020
African History Prize Fund	-	10,891	-	-	-	10,891	7,326	-	(817)	(91)	-	-	17,309	-	-	-	17,309
Ancient History Prize Fund - James H. Breasted Fund	10,800	6,007	-	-	-	16,807	-	(1,000)	(1,280)	(143)	-	10,800	3,584	-	-	-	14,384
George Louis Beer Prize Fund	5,000	71,247	-	-	-	76,247	-	(1,500)	(5,802)	(647)	-	5,000	63,298	-	-	-	68,298
Beveridge Family Prize Fund	20,000	9,596	-	-	-	29,596	-	(1,500)	(2,261)	(252)	-	20,000	5,583	-	-	-	25,583
Paul Birdsall Prize Fund	10,000	14,186	-	-	-	24,186	-	-	(1,852)	(207)	-	10,000	12,127	-	-	-	22,127
Albert Corey Prize Fund	25,000	44,477	-	-	-	69,477	500	-	(5,284)	(589)	-	25,000	39,103	-	-	-	64,103
Premio Del Rey Prize Fund	10,800	15,179	-	-	-	25,979	-	-	(1,988)	(222)	-	10,800	12,969	-	-	-	23,769
John H. Dunning Prize Fund	2,000	28,426	-	-	-	30,426	-	(1,000)	(2,315)	(258)	-	2,000	24,852	-	-	-	26,852
John K. Fairbank Prize Fund	7,990	48,732	-	-	-	56,722	-	(1,500)	(4,331)	(483)	-	7,990	42,418	-	-	-	50,408
Morris D. Forkosch Prize Fund	16,000	24,810	-	-	-	40,810	-	(1,500)	(3,105)	(346)	-	16,000	19,858	-	-	-	35,858
Leo Gershoy Prize Fund	10,000	47,330	-	-	-	57,330	-	(1,500)	(4,358)	(486)	-	10,000	40,986	-	-	-	50,986
William Gilbert Prize Fund	10,000	12,594	-	-	-	22,594	-	(1,000)	(1,716)	(191)	-	10,000	9,687	-	-	-	19,687
Clarence H. Haring Prize Fund	3,000	28,268	-	-	-	31,268	-	-	(2,397)	(267)	-	3,000	25,604	-	-	-	28,604
Joan Kelly Prize Fund	18,692	23,480	-	-	-	42,172	-	(1,500)	(3,214)	(358)	-	18,692	18,407	-	-	-	37,099
Michael Kraus Prize Fund	15,000	44,285	-	-	-	59,285	-	-	(4,522)	(504)	-	15,000	39,259	-	-	-	54,259
J. Russell Major Prize Fund	50,475	(3,175)	-	-	-	47,300	-	(1,500)	(3,596)	(401)	-	50,475	(8,671)	-	-	-	41,804
Howard R. Marraro Prize Fund	10,000	17,769	-	-	-	27,769	-	(1,000)	(2,125)	(237)	-	10,000	14,407	-	-	-	24,407
George L. Mosse Prize Fund	27,088	(3,705)	-	-	-	23,383	-	(1,000)	(1,771)	(197)	-	27,088	(6,673)	-	-	-	20,415
James A. Rawley Award	35,275	(477)	-	-	-	34,798	-	(1,500)	(2,642)	(295)	-	35,275	(4,914)	-	-	-	30,361
Nancy Roelker Award	18,000	14,328	-	-	-	32,328	-	(1,000)	(2,452)	(273)	-	18,000	10,603	-	-	-	28,603
Andrew D. White Prize Fund	-	13,474	-	-	-	13,474	-	-	(1,035)	(115)	-	-	12,323	-	-	-	12,323
Wesley-Logan Prize Fund	-	12,586	-	-	-	12,586	-	(2,000)	(953)	(106)	-	-	9,526	-	-	-	9,526
Herbert Feis Prize Fund	-	15,110	-	-	-	15,110	-	(1,000)	(1,144)	(128)	-	-	12,838	-	-	-	12,838
John E. Fagg Prize Fund	-	3,791	-	-	-	3,791	-	(1,000)	(300)	(33)	-	-	2,458	-	-	-	2,458
Total prize funds	310,120	522,651	-	-	-	832,771	7,826	(23,000)	(63,441)	(7,073)	-	310,120	436,963	-	-	-	747,083
<b>Grant Programs</b>																	
American Council on Education - Internationalizing the Disciplines	-	2,765	-	-	-	2,765	-	-	-	-	(2,765)	-	-	-	-	-	-
Mellon Foundation Grant - E Book Prize Program	-	186,035	-	-	-	186,035	-	(184,760)	7,154	-	(8,429)	-	-	-	-	-	-
National Aeronautics and Space Administration Fellowship Program	-	1,498	-	-	-	1,498	25,000	(23,333)	-	-	(3,165)	-	-	-	-	-	-
Oxford University Press - Guide Historical Literature	-	94,968	-	-	-	94,968	-	-	-	-	-	-	94,968	-	-	-	94,968
CASTL Program	-	54	-	-	-	54	-	-	-	-	(54)	-	-	-	-	-	-
ENHEC Mason Grant	-	-	-	-	-	-	33,096	(33,096)	-	-	-	-	-	-	-	-	-
Total grant programs	-	285,320	-	-	-	285,320	58,096	(241,189)	7,154	-	(14,413)	-	94,968	-	-	-	94,968

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2008

	Beginning of Year		Unrestricted		Total	Total	Income	Expense	Investment Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	End of Year		Unrestricted		Total	Total
	Permanently Restricted	Temporarily Restricted	Designated	Undesignated								Designated	Undesignated				
<b>Special Funds</b>																	
Albert J. Beveridge Memorial Fund	100,000	-	194,459	-	194,459	294,459	-	(2,212)	(22,445)	(2,502)	(15,470)	100,000	-	151,829	-	151,829	251,829
Littleton-Griswold Fund	25,000	-	146,074	-	146,074	171,074	-	(2,400)	(13,048)	(1,455)	(8,980)	25,000	-	120,192	-	120,192	145,192
David M. Matteson Fund	87,000	44,019	208,290	-	208,290	339,309	-	-	(25,878)	(2,885)	(18,750)	87,000	44,019	160,777	-	160,777	291,796
National History Center Endowment Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Endowment Fund	-	-	558,416	-	558,416	558,416	20,131	(342)	(42,573)	(4,747)	(29,910)	-	-	500,975	-	500,975	500,975
Bernadotte Schmitt Endowment Fund	-	-	534,437	-	534,437	534,437	-	(7,000)	(40,750)	(4,543)	(26,890)	-	-	455,253	-	455,253	455,253
Total special funds	212,000	44,019	1,641,676	-	1,641,676	1,897,695	20,131	(11,954)	(144,694)	(16,133)	(100,000)	212,000	44,019	1,389,026	-	1,389,026	1,645,045
<b>General Funds</b>																	
Working Capital Fund	-	-	122,865	-	122,865	122,865	-	-	(9,370)	(1,045)	-	-	-	112,450	-	112,450	112,450
Property, Plant and Equipment Fund	-	-	495,618	-	495,618	495,618	-	-	(37,781)	(4,212)	-	-	-	453,624	-	453,624	453,624
Undesignated Fund	-	-	-	224,051	224,051	224,051	3,503,242	(3,205,413)	(17,108)	(1,907)	114,413	-	-	-	617,277	617,277	617,277
Total general funds	-	-	618,483	224,051	842,534	842,534	3,503,242	(3,205,413)	(64,260)	(7,164)	114,413	-	-	566,074	617,277	1,183,351	1,183,351
Total net assets	\$ 522,120	\$ 851,990	\$ 2,260,159	\$ 224,051	\$ 2,484,210	\$ 3,858,320	\$ 3,589,295	\$ (3,481,556)	\$ (265,241)	\$ (30,370)	\$ -	\$ 522,120	\$ 575,950	\$ 1,955,101	\$ 617,277	\$ 2,572,378	\$ 3,670,448

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2007

	Beginning of Year		Unrestricted		Total	Total	Income	Expense	Investment Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	End of Year		Unrestricted		Total	Total	
	Permanently Restricted	Temporarily Restricted	Designated	Undesignated								Permanently Restricted	Temporarily Restricted	Designated	Undesignated			
<b>Prize Funds</b>																		
Herbert Baxter Adams Prize Fund	\$ 5,000	\$ 19,964	\$ -	\$ -	\$ -	\$ 24,964	\$ -	\$ (1,000)	\$ 4,692	\$ (214)	\$ -	\$ 5,000	\$ 23,442	\$ -	\$ -	\$ -	\$ 28,442	
African History Prize Fund	-	-	-	-	-	-	10,925	(36)	2	-	-	-	10,891	-	-	-	10,891	
Ancient History Prize Fund - James H. Breasted Fund	10,800	4,344	-	-	-	15,144	-	(1,000)	2,791	(128)	-	10,800	6,007	-	-	-	16,807	
George Louis Beer Prize Fund	5,000	60,829	-	-	-	65,829	-	(1,500)	12,489	(571)	-	5,000	71,247	-	-	-	76,247	
Beveridge Family Prize Fund	20,000	7,018	-	-	-	27,018	-	(2,142)	4,946	(226)	-	20,000	9,596	-	-	-	29,596	
Paul Birdsall Prize Fund	10,000	11,374	-	-	-	21,374	-	(1,000)	3,995	(183)	-	10,000	14,186	-	-	-	24,186	
Albert Corey Prize Fund	25,000	35,148	-	-	-	60,148	-	(1,500)	11,348	(519)	-	25,000	44,477	-	-	-	69,477	
Premio Del Rey Prize Fund	10,800	12,064	-	-	-	22,864	-	(1,000)	4,312	(197)	-	10,800	15,179	-	-	-	25,979	
John H. Dunning Prize Fund	2,000	23,706	-	-	-	25,706	-	-	4,946	(226)	-	2,000	28,426	-	-	-	30,426	
John K. Fairbank Prize Fund	7,990	41,339	-	-	-	49,329	-	(1,500)	9,319	(426)	-	7,990	48,732	-	-	-	56,722	
Morris D. Forkosch Prize Fund	16,000	19,896	-	-	-	35,896	-	(1,500)	6,721	(307)	-	16,000	24,810	-	-	-	40,810	
Leo Gershoy Prize Fund	10,000	39,877	-	-	-	49,877	-	(1,500)	9,382	(429)	-	10,000	47,330	-	-	-	57,330	
William Gilbert Prize Fund	10,000	9,084	-	-	-	19,084	-	-	3,678	(168)	-	10,000	12,594	-	-	-	22,594	
Clarence H. Haring Prize Fund	3,000	23,428	-	-	-	26,428	-	-	5,072	(232)	-	3,000	28,268	-	-	-	31,268	
Joan Kelly Prize Fund	18,692	18,324	-	-	-	37,016	-	(1,500)	6,975	(319)	-	18,692	23,480	-	-	-	42,172	
Michael Kraus Prize Fund	15,000	36,528	-	-	-	51,528	-	(1,500)	9,700	(443)	-	15,000	44,285	-	-	-	59,285	
J. Russell Major Prize Fund	50,475	(9,117)	-	-	-	41,358	-	(1,500)	7,798	(356)	-	50,475	(3,175)	-	-	-	47,300	
Howard R. Marraro Prize Fund	10,000	14,412	-	-	-	24,412	-	(1,000)	4,566	(209)	-	10,000	17,769	-	-	-	27,769	
George L. Mosse Prize Fund	27,088	(6,397)	-	-	-	20,691	-	(1,000)	3,869	(177)	-	27,088	(3,705)	-	-	-	23,383	
James A. Rawley Award	35,275	(4,483)	-	-	-	30,792	-	(1,500)	5,770	(264)	-	35,275	(477)	-	-	-	34,798	
Nancy Roelker Award	18,000	10,245	-	-	-	28,245	-	(1,000)	5,326	(243)	-	18,000	14,328	-	-	-	32,328	
Andrew D. White Prize Fund	-	12,295	-	-	-	12,295	-	(1,000)	2,283	(104)	-	-	13,474	-	-	-	13,474	
Wesley-Logan Prize Fund	-	11,588	-	-	-	11,588	-	(1,000)	2,094	(96)	-	-	12,586	-	-	-	12,586	
Herbert Feis Prize Fund	-	13,689	-	-	-	13,689	-	(1,000)	2,537	(116)	-	-	15,110	-	-	-	15,110	
John E. Fagg Prize Fund	-	4,124	-	-	-	4,124	-	(1,000)	699	(32)	-	-	3,791	-	-	-	3,791	
Total prize funds	310,120	409,279	-	-	-	719,399	10,925	(26,678)	135,310	(6,185)	-	310,120	522,651	-	-	-	832,771	
<b>Grant Programs</b>																		
Carnegie Foundation - Study of Graduate Training in History	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
National Endowment for the Humanities - Rethinking America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
American Council on Education - Internationalizing the Disciplines	-	2,660	-	-	-	2,660	-	-	105	-	-	-	2,765	-	-	-	2,765	
Council of Graduate Schools Grant - Preparing Future Faculty	-	445	-	-	-	445	-	(670)	-	-	225	-	-	-	-	-	-	
Ford Foundation Grant - Seascapes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mellon Foundation Grant - E Book Prize Program	-	251,045	-	-	-	251,045	-	(67,466)	2,456	-	-	-	186,035	-	-	-	186,035	
National Aeronautics and Space Administration Fellowship Program	-	1,732	-	-	-	1,732	24,700	(20,000)	66	-	(5,000)	-	1,498	-	-	-	1,498	
Oxford University Press - Guide Historical Literature	-	91,331	-	-	-	91,331	-	-	3,637	-	-	-	94,968	-	-	-	94,968	
CASTL Program	-	54	-	-	-	54	-	-	-	-	-	-	54	-	-	-	54	
Carnegie Mellon NHEN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total grant programs	-	347,267	-	-	-	347,267	24,700	(88,136)	6,264	-	(4,775)	-	285,320	-	-	-	285,320	

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2007

	Beginning of Year		Unrestricted		Total	Total	Income	Expense	Investment Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	End of Year		Unrestricted		Total	Total
	Permanently Restricted	Temporarily Restricted	Designated	Undesignated								Designated	Undesignated				
<b>Special Funds</b>																	
Albert J. Beveridge Memorial Fund	100,000	-	171,603	-	171,603	271,603	-	(11,049)	49,631	(2,269)	(13,457)	100,000	-	194,459	-	194,459	294,459
Littleton-Griswold Fund	25,000	-	130,552	-	130,552	155,552	-	(4,000)	28,651	(1,310)	(7,819)	25,000	-	146,074	-	146,074	171,074
David M. Matteson Fund	87,000	44,019	170,204	-	170,204	301,223	-	-	56,161	(2,568)	(15,507)	87,000	44,019	208,290	-	208,290	339,309
National History Center Endowment Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bernadotte Schmitt Endowment Fund	-	-	480,090	-	480,090	480,090	16,923	-	91,087	(4,165)	(25,519)	-	-	558,416	-	558,416	558,416
	-	-	464,323	-	464,323	464,323	-	(13,480)	87,599	(4,005)	-	-	-	534,437	-	534,437	534,437
Total special funds	212,000	44,019	1,416,772	-	1,416,772	1,672,791	16,923	(28,529)	313,129	(14,317)	(62,302)	212,000	44,019	1,641,676	-	1,641,676	1,897,695
<b>General Funds</b>																	
Working Capital Fund	-	-	103,870	-	103,870	103,870	-	-	19,905	(910)	-	-	-	122,865	-	122,865	122,865
Property, Plant and Equipment Fund	-	-	419,101	-	419,101	419,101	-	-	80,183	(3,666)	-	-	-	495,618	-	495,618	495,618
Undesignated Fund	-	-	-	89,562	89,562	89,562	3,506,920	(3,512,818)	77,127	(3,817)	67,077	-	-	-	224,051	224,051	224,051
Total general funds	-	-	522,971	89,562	612,533	612,533	3,506,920	(3,512,818)	177,215	(8,393)	67,077	-	-	618,483	224,051	842,534	842,534
Total net assets	\$ 522,120	\$ 800,565	\$ 1,939,743	\$ 89,562	\$ 2,029,305	\$ 3,351,990	\$ 3,559,468	\$ (3,656,161)	\$ 631,918	\$ (28,895)	\$ -	\$ 522,120	\$ 851,990	\$ 2,260,159	\$ 224,051	\$ 2,484,210	\$ 3,858,320

See accompanying notes and independent auditors' report.

**AMERICAN HISTORICAL ASSOCIATION**

**SUPPLEMENTAL STATEMENTS OF GENERAL OPERATIONS**

**For the years ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>REVENUE AND SUPPORT</b>		
Membership dues	\$ 1,176,571	\$ 1,140,128
Annual Conference	1,014,423	752,540
American Historical Review	650,541	900,982
Publications	640,897	692,483
Administrative income	14,413	7,871
Contributions	20,810	15,995
Interest allocation from designated investments	<u>100,000</u>	<u>95,972</u>
 Total revenue and support	 3,617,655	 3,605,971
 <b>EXPENSES</b>		
Programs:		
American Historical Review	536,184	736,339
Annual Meeting	530,872	524,871
Membership	203,343	233,306
Publications	<u>555,946</u>	<u>705,076</u>
Total programs	1,826,345	2,199,592
Support services:		
General and Administrative	968,710	890,441
Council	<u>390,739</u>	<u>399,626</u>
Total support services	1,359,449	1,290,067
Total expenses	<u>3,185,794</u>	<u>3,489,659</u>
 Change in net assets	 <u>\$ 431,861</u>	 <u>\$ 116,312</u>

**Note: Publications expense has been adjusted for purposes of inventory capitalization by a decrease of \$47,293 and an increase of \$47,417 during the years ended June 30, 2008 and 2007, respectively.**

See accompanying notes and independent auditors' report.