

**AMERICAN HISTORICAL ASSOCIATION**

**FINANCIAL STATEMENTS  
(With Independent Auditors' Report)**

**For the year ended June 30, 2003 and 2002**

# AMERICAN HISTORICAL ASSOCIATION

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# McMaster & Associates, PC

Certified Public Accountants

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, 2003 and 2002 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, 2003 and 2002, 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, 2003 and 2002 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, 2003 and 2002 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.

*McMaster & Associates, PC*

August 15, 2003  
Washington, DC

AMERICAN HISTORICAL ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2003 and 2002

<u>ASSETS</u>	<u>2003</u>	<u>2002</u>	<u>LIABILITIES AND NET ASSETS</u>	<u>2003</u>	<u>2002</u>
Current assets:			Current liabilities:		
Cash and equivalents	\$ 635,911	\$ 1,070,103	Accounts payable	\$ 100,915	\$ 152,344
Investments - short term	254,323	106,119	Accrued expenses	85,334	78,270
Accounts receivable	93,732	68,473	Deferred revenue:		
Grants receivable	-	6,100	Memberships	536,392	501,046
Interest and dividends receivable	9,150	15,818	Subscriptions	361,230	325,680
Prepaid expenses	109,622	47,128	Annual meeting	28,500	85,525
			Life memberships - current portion	13,073	11,692
Total current assets	1,102,738	1,313,741	Total current liabilities	1,125,444	1,154,557
Fixed assets:			Life memberships - long term	40,706	50,463
Land	8,000	8,000	Total liabilities	1,166,150	1,205,020
Building and improvements	455,802	455,802	Net assets:		
Furniture and equipment	658,042	651,833	Unrestricted:		
	1,121,844	1,115,635	Undesignated	(207,823)	(407,330)
Less: accumulated depreciation	(728,198)	(675,342)	Designated	2,094,308	2,192,714
Net fixed assets	393,646	440,293	Total unrestricted	1,886,485	1,785,384
Other assets			Temporarily restricted	1,031,363	1,260,823
Investments - long term	3,108,734	3,018,313	Permanently restricted	522,120	522,120
Deposits	1,000	1,000	Total net assets	3,439,968	3,568,327
Total other assets	3,109,734	3,019,313	Total liabilities and net assets	\$ 4,606,118	\$ 4,773,347
Total assets	\$ 4,606,118	\$ 4,773,347			

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2003 and 2002

	2003				2002			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUE AND SUPPORT</b>								
Membership dues	\$ 1,038,852	\$ -	\$ -	\$ 1,038,852	\$ 983,371	\$ -	\$ -	\$ 983,371
Annual Conference	687,720	-	-	687,720	562,960	-	-	562,960
American Historical Review Publications	686,556	-	-	686,556	481,409	-	-	481,409
Grants	-	142,100	-	142,100	-	542,959	-	542,959
Contributions	28,337	71,857	-	100,194	49,582	-	-	49,582
Interest and dividends	48,216	47,859	-	96,075	70,216	21,541	-	91,757
Realized gains and losses on investments	(9,684)	(7,597)	-	(17,281)	(1,225)	(376)	-	(1,601)
Unrealized losses on investments	(9,937)	(7,006)	-	(16,943)	(543,128)	(166,565)	-	(709,693)
Miscellaneous	2,048	-	-	2,048	3,392	-	-	3,392
Net assets released from restriction	476,673	(476,673)	-	-	675,577	(675,577)	-	-
<b>Total revenue and support</b>	<b>3,504,489</b>	<b>(229,460)</b>	<b>-</b>	<b>3,275,029</b>	<b>2,871,428</b>	<b>(278,018)</b>	<b>-</b>	<b>2,593,410</b>
<b>EXPENSES</b>								
Programs:								
American Historical Review	784,198	-	-	784,198	747,835	-	-	747,835
Annual Meeting	367,827	-	-	367,827	403,994	-	-	403,994
Membership	281,129	-	-	281,129	283,105	-	-	283,105
Publications	731,228	-	-	731,228	670,067	-	-	670,067
Grants	470,169	-	-	470,169	671,332	-	-	671,332
Special Funds and Prizes	102,829	-	-	102,829	169,085	-	-	169,085
<b>Total programs</b>	<b>2,737,380</b>	<b>-</b>	<b>-</b>	<b>2,737,380</b>	<b>2,945,418</b>	<b>-</b>	<b>-</b>	<b>2,945,418</b>
Support services:								
General and Administrative	222,505	-	-	222,505	191,016	-	-	191,016
Council	443,503	-	-	443,503	448,740	-	-	448,740
<b>Total support services</b>	<b>666,008</b>	<b>-</b>	<b>-</b>	<b>666,008</b>	<b>639,756</b>	<b>-</b>	<b>-</b>	<b>639,756</b>
<b>Total expenses</b>	<b>3,403,388</b>	<b>-</b>	<b>-</b>	<b>3,403,388</b>	<b>3,585,174</b>	<b>-</b>	<b>-</b>	<b>3,585,174</b>
Change in net assets	101,101	(229,460)	-	(128,359)	(713,746)	(278,018)	-	(991,764)
Net assets, beginning of year	1,785,384	1,260,823	522,120	3,568,327	2,499,130	1,538,841	522,120	4,560,091
Net assets, end of year	<u>\$ 1,886,485</u>	<u>\$ 1,031,363</u>	<u>\$ 522,120</u>	<u>\$ 3,439,968</u>	<u>\$ 1,785,384</u>	<u>\$ 1,260,823</u>	<u>\$ 522,120</u>	<u>\$ 3,568,327</u>

See accompanying notes and independent auditors' report.

**AMERICAN HISTORICAL ASSOCIATION**

**STATEMENTS OF CASH FLOWS**

**For the years ended June 30, 2003 and 2002**

	<b>2003</b>	<b>2002</b>
Cash flows from operating activities:		
Change in net assets:	\$ (128,359)	\$ (991,764)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	52,856	75,962
Unrealized losses on investments	16,943	709,693
Accounts receivable	(25,259)	13,390
Grants receivable	6,100	6,501
Interest and dividends receivable	6,668	13,761
Prepaid expenses	(62,494)	(7,497)
Accounts payable	(51,429)	(16,161)
Accrued expenses	7,064	(5,169)
Deferred revenue	5,495	112,408
Total adjustments	(44,056)	902,888
Net cash provided (used) by operating activities	(172,415)	(88,876)
Cash flows from investing activities		
Purchase of investments	(689,786)	(743,400)
Sale of investments	434,218	907,295
Purchase of fixed assets	(6,209)	(45,510)
Net cash provided by investing activities	(261,777)	118,385
Net increase in cash	(434,192)	29,509
Cash and equivalents, beginning of year	1,070,103	1,040,594
Cash and equivalents, end of year	\$ 635,911	\$ 1,070,103
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ 17,933	\$ 10,691
Cash paid for interest	\$ -	\$ -

See accompanying notes and independent auditors' report.

# AMERICAN HISTORICAL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003 and 2002

### 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.

#### 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.

#### 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.

# AMERICAN HISTORICAL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003 and 2002

### 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.

#### Deferred Revenue

The Association records income for membership dues, subscriptions 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.

#### 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, 2003 and 2002, the Association received \$213,957 and \$542,959 in temporarily restricted contributions and grants, respectively.



# AMERICAN HISTORICAL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003 and 2002

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

#### Net Assets (Continued)

##### 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, 2003 and 2002 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 2003 and 2002, the Association did not receive any donated materials or services.

##### 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 2003 and 2002, respectively, accordingly no provision for income taxes was recorded.

# AMERICAN HISTORICAL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003 and 2002

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

#### 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, 2003		June 30, 2002	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
U.S. Treasury notes and bonds	\$ 425,104	\$ 437,681	\$ 436,571	\$ 441,169
Mutual funds	726,129	751,181	551,129	538,530
Corporate bonds	24,889	25,941	24,889	25,306
Corporate securities	<u>1,348,043</u>	<u>2,148,254</u>	<u>1,256,459</u>	<u>2,119,427</u>
Total	<u>\$ 2,524,165</u>	<u>\$ 3,363,057</u>	<u>\$ 2,269,048</u>	<u>\$ 3,124,432</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.

### 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, 2003 and 2002, contributions to the plan were \$95,518 and \$74,952, respectively. There were no contributions due to the plan at June 30, 2003 and 2002, respectively.

# AMERICAN HISTORICAL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2003 and 2002

### 5. LINE OF CREDIT

The Association has entered into an agreement for an \$180,000 line of credit that expires on October 10, 2003. Interest is charged at the lender's prime rate plus .50%. The line of credit is collateralized by approximately \$200,000 of U.S. Treasury Bonds and Notes. There was no balance on the line of credit as of June 30, 2003 and 2002, respectively. Interest expense for the years ended June 30, 2003 and 2002 was \$0 and \$0, respectively.

### 6. COMMITMENTS

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 provide for the Association to contribute \$35,000 each year for the three years beginning January 2001.

### 7. 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, 2003

	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
Salaries and fringe benefits	\$ 59,213	\$ 70,149	\$ 106,641	\$ 295,765	\$ 115,762	\$ -	\$ 647,530	\$ 395,727	\$ 232,114	\$ 627,841	\$ 1,275,371
Bad debts	-	-	-	-	-	-	-	12,793	-	12,793	12,793
Bank fees and service charges	3,206	-	43,088	-	-	-	46,294	6,887	-	6,887	53,181
Committee travel	5,708	2,431	-	-	63,495	7,866	79,500	6,889	39,744	46,633	126,133
Communications	2,123	10,310	2,096	1,445	1,630	447	18,051	16,687	5,375	22,062	40,113
Contractors	333,252	14,619	352	8,246	25,183	12,909	394,561	27,206	-	27,206	421,767
Depreciation	-	-	-	-	-	-	-	52,856	-	52,856	52,856
Dues and subscriptions	35,000	6	20,077	170	7,560	3	62,816	52,392	281	52,673	115,489
Equipment rental and maintenance	4,663	190	12,253	1,707	273	-	19,086	24,859	-	24,859	43,945
Insurance	-	4,760	-	-	-	-	4,760	6,924	-	6,924	11,684
Meetings and conferences	25,711	144,620	400	-	9,914	1,755	182,400	918	14,307	15,225	197,625
Miscellaneous	-	-	-	-	1,856	-	1,856	-	-	-	1,856
Occupancy	-	-	-	-	8,918	-	8,918	500	-	500	9,418
Office expense	427	2,385	-	-	194	75	3,081	-	-	-	3,081
Postage and delivery	66,423	22,970	22,581	72,706	1,752	17	186,449	2,474	3,632	6,106	192,555
Printing and duplicating	200,638	39,447	6,909	181,712	6,831	588	436,125	1,110	11,381	12,491	448,616
Prizes, grants and honorariums	-	1,050	-	-	157,774	60,172	218,996	500	500	1,000	219,996
Professional fees	-	-	8,917	-	-	18,997	27,914	21,637	2,053	23,690	51,604
Repairs and maintenance	-	-	-	-	-	-	-	17,682	-	17,682	17,682
Staff travel	4,610	11,824	-	270	4,102	-	20,806	11,698	4,920	16,618	37,424
Storage	2,486	-	-	4,122	-	-	6,608	10,901	-	10,901	17,509
Supplies	4,850	-	394	-	327	-	5,571	19,032	-	19,032	24,603
Taxes	-	-	-	-	-	-	-	17,933	-	17,933	17,933
Utilities	-	-	-	-	-	-	-	10,154	-	10,154	10,154
Total expense, before overhead allocation	748,310	324,761	223,708	566,143	405,571	102,829	2,371,322	717,759	314,307	1,032,066	3,403,388
Overhead allocation	35,888	43,066	57,421	165,085	64,598	-	366,058	(495,254)	129,196	(366,058)	-
Total expense	\$ 784,198	\$ 367,827	\$ 281,129	\$ 731,228	\$ 470,169	\$ 102,829	\$ 2,737,380	\$ 222,505	\$ 443,503	\$ 666,008	\$ 3,403,388

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF EXPENSES BY PROGRAM

For the year ended June 30, 2002

	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
Salaries and fringe benefits	\$ 30,330	\$ 89,147	\$ 112,282	\$ 282,996	\$ 97,766	\$ 2,592	\$ 615,113	\$ 357,939	\$ 229,675	\$ 587,614	\$ 1,202,727
Bank fees and service charges	3,443	-	28,985	-	-	-	32,428	8,722	-	8,722	41,150
Committee travel	4,345	8,361	-	-	75,810	6,668	95,184	649	43,544	44,193	139,377
Communications	4,046	30	9,268	4,949	18,868	-	37,161	10,101	7,122	17,223	54,384
Contractors	321,696	24,773	10,376	14,157	114,344	28,799	514,145	11,646	1,432	13,078	527,223
Contributions/Coalition	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	75,962	-	75,962	75,962
Dues and subscriptions	35,000	-	14,787	643	818	-	51,248	41,505	612	42,117	93,365
Equipment rental and maintenance	3,432	17,175	3,044	9,323	767	-	33,741	26,899	-	26,899	60,640
Insurance	-	7,959	-	-	-	-	7,959	20,200	-	20,200	28,159
Meetings and conferences	2,371	119,860	162	-	19,540	2,545	144,478	-	25,314	25,314	169,792
Miscellaneous	2,356	1,625	-	-	328	668	4,977	530	193	723	5,700
Occupancy	-	-	-	-	10,539	-	10,539	-	-	-	10,539
Office expense	2,552	1,315	268	641	5,922	59	10,757	19,980	183	20,163	30,920
Postage and delivery	59,743	24,842	12,897	66,208	2,360	30	166,080	1,578	4,973	6,551	172,631
Printing and duplicating	240,106	43,855	31,921	121,992	5,900	-	443,774	5,571	7,844	13,415	457,189
Prizes, grants and honorariums	2,000	500	-	10,525	251,390	66,300	330,715	-	-	-	330,715
Professional fees	-	825	1,770	792	2,077	60,967	66,431	20,432	2,574	23,006	89,437
Repairs and maintenance	-	-	-	-	-	-	-	764	-	764	764
Staff travel	6,938	17,053	40	54	13,564	457	38,106	3,096	4,296	7,392	45,498
Storage	2,367	-	-	4,973	-	-	7,340	7,052	-	7,052	14,392
Supplies	8,008	2,103	-	-	401	-	10,512	7,890	-	7,890	18,402
Taxes	-	-	-	-	-	-	-	7,111	-	7,111	7,111
Utilities	-	-	-	-	-	-	-	9,097	-	9,097	9,097
Total expense, before overhead allocation	728,733	359,423	225,800	517,253	620,394	169,085	2,620,688	636,724	327,762	964,486	3,585,174
Overhead allocation	19,102	44,571	57,305	152,814	50,938	-	324,730	(445,708)	120,978	(324,730)	-
Total expense	\$ 747,835	\$ 403,994	\$ 283,105	\$ 670,067	\$ 671,332	\$ 169,085	\$ 2,945,418	\$ 191,016	\$ 448,740	\$ 639,756	\$ 3,585,174

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2003

	Beginning of Year		Unrestricted		Total Unrestricted	Total	Income	Expense	Investment Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	End of Year		Unrestricted		Total Unrestricted	Total	
	Permanently Restricted	Temporarily Restricted	Designated	Undesignated								Designated	Undesignated					
<b>Prize Funds</b>																		
Herbert Baxter Adams Prize Fund	\$ 5,000	\$ 19,397	\$ -	\$ -	\$ -	\$ 24,397	\$ -	\$ (1,000)	\$ 377	\$ (172)	\$ -	\$ 5,000	\$ 18,602	\$ -	\$ -	\$ -	\$ 23,602	
Ancient History Prize Fund - James H. Breasted Fund	10,800	5,147	-	-	-	15,947	-	(1,000)	240	(111)	-	10,800	4,276	-	-	-	15,076	
Central European History Prize Fund Grant - Staffing Survey	-	20,607	-	-	-	20,607	-	(20,607)	227	-	(227)	-	-	-	-	-	-	
George Louis Beer Prize Fund	5,000	57,632	-	-	-	62,632	-	(1,500)	973	(445)	-	5,000	56,660	-	-	-	61,660	
Beveridge Family Prize Fund	20,000	12,554	-	-	-	32,554	-	(2,761)	492	(224)	-	20,000	10,061	-	-	-	30,061	
Paul Birdsall Prize Fund	10,000	10,407	-	-	-	20,407	-	(1,000)	312	(142)	-	10,000	9,577	-	-	-	19,577	
Albert Corey Prize Fund	25,000	28,542	-	-	-	53,542	-	(1,000)	831	(380)	-	25,000	27,993	-	-	-	52,993	
Premio Del Rey Prize Fund	10,800	10,898	-	-	-	21,698	-	(1,000)	333	(153)	-	10,800	10,078	-	-	-	20,878	
John H. Dunning Prize Fund	2,000	22,436	-	-	-	24,436	-	-	381	(176)	-	2,000	22,641	-	-	-	24,641	
John K. Fairbank Prize Fund	7,990	40,361	-	-	-	48,351	-	(1,500)	749	(342)	-	7,990	39,268	-	-	-	47,258	
Morris D. Forkosch Prize Fund	16,000	20,725	-	-	-	36,725	-	(1,500)	562	(258)	-	16,000	19,529	-	-	-	35,529	
Leo Gershoy Prize Fund	10,000	38,271	-	-	-	48,271	-	(950)	747	(344)	-	10,000	37,724	-	-	-	47,724	
William Gilbert Prize Fund	10,000	8,366	-	-	-	18,366	-	-	291	(132)	-	10,000	8,525	-	-	-	18,525	
Clarence H. Haring Prize Fund	3,000	19,870	-	-	-	22,870	-	-	361	(165)	-	3,000	20,066	-	-	-	23,066	
Joan Kelly Prize Fund	18,692	18,271	-	-	-	36,963	657	(1,440)	574	(262)	-	18,692	17,800	-	-	-	36,492	
Michael Kraus Prize Fund	15,000	34,542	-	-	-	49,542	-	(1,950)	759	(348)	-	15,000	33,003	-	-	-	48,003	
J. Russell Major Prize Fund	50,475	(9,531)	-	-	-	40,944	-	(1,000)	634	(290)	-	50,475	(10,187)	-	-	-	40,288	
Howard R. Marraro Prize Fund	10,000	14,895	-	-	-	24,895	-	(1,000)	382	(176)	-	10,000	14,101	-	-	-	24,101	
George L. Mosse Prize Fund	27,088	(5,416)	-	-	-	21,672	-	(1,000)	333	(152)	-	27,088	(6,235)	-	-	-	20,853	
James A. Rawley Award	35,275	(3,472)	-	-	-	31,803	-	(1,000)	493	(224)	-	35,275	(4,203)	-	-	-	31,072	
Nancy Roelker Award	18,000	10,219	-	-	-	28,219	-	(1,000)	437	(200)	-	18,000	9,456	-	-	-	27,456	
Andrew D. White Prize Fund	-	10,646	-	-	-	10,646	-	-	170	(76)	-	-	10,740	-	-	-	10,740	
Wesley-Logan Prize Fund	-	13,799	-	-	-	13,799	-	(1,000)	206	(97)	-	-	12,908	-	-	-	12,908	
Herbert Feis Prize Fund	-	15,614	-	-	-	15,614	-	(1,000)	234	(109)	-	-	14,739	-	-	-	14,739	
John E. Fagg Prize Fund	-	7,332	-	-	-	7,332	-	(1,000)	109	(50)	-	-	6,391	-	-	-	6,391	
Total prize funds	310,120	422,112	-	-	-	732,232	657	(45,208)	11,207	(5,028)	(227)	310,120	383,513	-	-	-	693,633	
<b>Grant Programs</b>																		
Carnegie Foundation - Study of Graduate Training in History	-	75,378	-	-	-	75,378	104,700	(127,673)	849	-	-	-	53,254	-	-	-	53,254	
Council of Graduate Schools Grant - Preparing Future Faculty	-	20,524	-	-	-	20,524	10,000	(16,606)	371	-	-	-	14,289	-	-	-	14,289	
Ford Foundation Grant - Globalizing World History	-	270,188	-	-	-	270,188	-	(82,962)	5,525	-	-	-	192,751	-	-	-	192,751	
Mellon Foundation Grant - E Book Prize Program	-	280,839	-	-	-	280,839	14,000	(103,596)	5,139	-	-	-	196,382	-	-	-	196,382	
National Aeronautics and Space Administration Fellowship Program	-	8,073	-	-	-	8,073	13,400	(21,667)	83	-	111	-	-	-	-	-	-	
Oxford University Press - Guide Historical Literature	-	80,995	-	-	-	80,995	-	(139)	1,766	-	-	-	82,622	-	-	-	82,622	
CASTL Program	-	5,101	-	-	-	5,101	-	(175)	106	-	-	-	5,032	-	-	-	5,032	
Carnegie Mellon NHEN	-	44,321	-	-	-	44,321	36,850	(32,148)	1,122	-	-	-	50,145	-	-	-	50,145	
Total grant programs	-	785,419	-	-	-	785,419	178,950	(384,966)	14,961	-	111	-	594,475	-	-	-	594,475	

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2003

	Beginning of Year					Income	Expense	Investment Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	End of Year						
	Permanently Restricted	Temporarily Restricted	Unrestricted		Total Unrestricted						Total	Permanently Restricted	Temporarily Restricted	Unrestricted		Total Unrestricted	Total
			Designated	Undesignated										Designated	Undesignated		
<b>Special Funds</b>																	
Albert J. Beveridge Memorial Fund	100,000	-	258,121	-	258,121	358,121	-	(15,879)	5,494	(2,519)	(23,667)	100,000	-	221,550	-	221,550	321,550
Littleton-Griswold Fund	25,000	-	185,635	-	185,635	210,635	-	(8,503)	3,239	(1,484)	(13,952)	25,000	-	164,935	-	164,935	189,935
David M. Matteson Fund	87,000	44,019	216,658	-	216,658	347,677	-	(19)	5,450	(2,499)	(23,497)	87,000	44,019	196,093	-	196,093	327,112
National History Center Endowment Fund	-	-	-	-	-	-	25,333	(19,979)	44	(20)	10,000	-	-	15,378	-	15,378	15,378
Bernadotte Schmitt Endowment Fund	-	-	570,005	-	570,005	570,005	9,017	-	9,011	(4,131)	(38,829)	-	-	545,073	-	545,073	545,073
J. Franklin Jameson Fund	-	9,273	459,557	-	459,557	459,557	-	(14,852)	7,087	(3,251)	-	-	-	448,541	-	448,541	448,541
	-	-	-	-	-	9,273	-	-	149	(66)	-	-	9,356	-	-	-	9,356
Total special funds	212,000	53,292	1,689,976	-	1,689,976	1,955,268	34,350	(59,232)	30,474	(13,970)	(89,945)	212,000	53,375	1,591,570	-	1,591,570	1,856,945
<b>General Funds</b>																	
Working Capital Fund	-	-	100,000	-	100,000	100,000	-	-	-	-	-	-	-	100,000	-	100,000	100,000
Property, Plant and Equipment Fund	-	-	402,738	-	402,738	402,738	-	-	-	-	-	-	-	402,738	-	402,738	402,738
Undesignated Fund	-	-	-	(407,330)	(407,330)	(407,330)	2,999,220	(2,893,959)	5,210	(1,025)	90,061	-	-	-	(207,823)	(207,823)	(207,823)
Total general funds	-	-	502,738	(407,330)	95,408	95,408	2,999,220	(2,893,959)	5,210	(1,025)	90,061	-	-	502,738	(207,823)	294,915	294,915
Total net assets	\$ 522,120	\$ 1,260,823	\$ 2,192,714	\$ (407,330)	\$ 1,785,384	\$ 3,568,327	\$ 3,213,177	\$ (3,383,365)	\$ 61,852	\$ (20,023)	\$ -	\$ 522,120	\$ 1,031,363	\$ 2,094,308	\$ (207,823)	\$ 1,886,485	\$ 3,439,968

See accompanying notes and independent auditors' report.



AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2002

	Beginning of Year		Unrestricted		Total Unrestricted	Total	Income	Expense	Investment Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	End of Year		Unrestricted		Total Unrestricted	Total	
	Permanently Restricted	Temporarily Restricted	Designated	Undesignated								Permanently Restricted	Temporarily Restricted	Designated	Undesignated			
<b>Prize Funds</b>																		
Herbert Baxter Adams Prize Fund	\$ 5,000	\$ 25,151	\$ -	\$ -	\$ -	\$ 30,151	\$ -	\$ -	\$ (5,556)	\$ (198)	\$ -	\$ 5,000	\$ 19,397	\$ -	\$ -	\$ -	\$ 24,397	
Ancient History Prize Fund - James H. Breasted Fund	10,800	9,483	-	-	-	20,283	-	(500)	(3,704)	(132)	-	10,800	5,147	-	-	-	15,947	
Central European History Prize Fund Grant - Staffing Survey	-	20,185	-	-	-	20,185	-	-	422	-	-	-	20,607	-	-	-	20,607	
George Louis Beer Prize Fund	5,000	74,081	-	-	-	79,081	-	(1,500)	(14,432)	(517)	-	5,000	57,632	-	-	-	62,632	
Beveridge Family Prize Fund	20,000	24,937	-	-	-	44,937	-	(4,252)	(7,850)	(281)	-	20,000	12,554	-	-	-	32,554	
Paul Birdsall Prize Fund	10,000	15,234	-	-	-	25,234	-	-	(4,660)	(167)	-	10,000	10,407	-	-	-	20,407	
Albert Corey Prize Fund	25,000	41,179	-	-	-	66,179	-	-	(12,201)	(436)	-	25,000	28,542	-	-	-	53,542	
Premio Del Rey Prize Fund	10,800	15,991	-	-	-	26,791	-	-	(4,917)	(176)	-	10,800	10,898	-	-	-	21,698	
John H. Dunning Prize Fund	2,000	29,762	-	-	-	31,762	-	(1,444)	(5,679)	(203)	-	2,000	22,436	-	-	-	24,436	
John K. Fairbank Prize Fund	7,990	53,442	-	-	-	61,432	-	(1,500)	(11,181)	(400)	-	7,990	40,361	-	-	-	48,351	
Morris D. Forkosch Prize Fund	16,000	31,016	-	-	-	47,016	-	(1,500)	(8,487)	(304)	-	16,000	20,725	-	-	-	36,725	
Leo Gershoy Prize Fund	10,000	51,279	-	-	-	61,279	-	(1,500)	(11,111)	(397)	-	10,000	38,271	-	-	-	48,271	
William Gilbert Prize Fund	10,000	13,399	-	-	-	23,399	-	(600)	(4,280)	(153)	-	10,000	8,366	-	-	-	18,366	
Clarence H. Haring Prize Fund	3,000	26,558	-	-	-	29,558	-	(1,200)	(5,298)	(190)	-	3,000	19,870	-	-	-	22,870	
Joan Kelly Prize Fund	18,692	28,536	-	-	-	47,228	-	(1,400)	(8,559)	(306)	-	18,692	18,271	-	-	-	36,963	
Michael Kraus Prize Fund	15,000	48,173	-	-	-	63,173	-	(1,793)	(11,429)	(409)	-	15,000	34,542	-	-	-	49,542	
J. Russell Major Prize Fund	50,475	373	-	-	-	50,848	-	(250)	(9,321)	(333)	-	50,475	(9,531)	-	-	-	40,944	
Howard R. Marraro Prize Fund	10,000	21,942	-	-	-	31,942	-	(1,100)	(5,742)	(205)	-	10,000	14,895	-	-	-	24,895	
George L. Mosse Prize Fund	27,088	-	-	-	-	27,088	-	(250)	(4,988)	(178)	-	27,088	(5,416)	-	-	-	21,672	
James A. Rawley Award	35,275	4,672	-	-	-	39,947	-	(600)	(7,284)	(260)	-	35,275	(3,472)	-	-	-	31,803	
Nancy Roelker Award	18,000	17,864	-	-	-	35,864	-	(900)	(6,512)	(233)	-	18,000	10,219	-	-	-	28,219	
Andrew D. White Prize Fund	-	14,762	-	-	-	14,762	-	(1,400)	(2,622)	(94)	-	-	10,646	-	-	-	10,646	
Wesley-Logan Prize Fund	-	18,074	-	-	-	18,074	-	(900)	(3,259)	(116)	-	-	13,799	-	-	-	13,799	
Herbert Feis Prize Fund	-	20,386	-	-	-	20,386	-	(1,000)	(3,642)	(130)	-	-	15,614	-	-	-	15,614	
John E. Fagg Prize Fund	-	10,185	-	-	-	10,185	-	(1,000)	(1,789)	(64)	-	-	7,332	-	-	-	7,332	
Total prize funds	310,120	616,664	-	-	-	926,784	-	(24,589)	(164,081)	(5,882)	-	310,120	422,112	-	-	-	732,232	
<b>Grant Programs</b>																		
Carnegie Foundation - Study of Graduate Training in History	-	73,893	-	-	-	73,893	160,200	(161,862)	3,147	-	-	-	75,378	-	-	-	75,378	
Council of Graduate Schools Grant - Preparing Future Faculty	-	12,709	-	-	-	12,709	48,740	(41,283)	358	-	-	-	20,524	-	-	-	20,524	
Ford Foundation Grant - Globalizing World History	-	110,522	-	-	-	110,522	273,400	(114,707)	3,973	-	(3,000)	-	270,188	-	-	-	270,188	
Mellon Foundation Grant - E Book Prize Program	-	504,559	-	-	-	504,559	10,000	(241,850)	8,130	-	-	-	280,839	-	-	-	280,839	
National Aeronautics and Space Administration Fellowship Program	-	14,090	-	-	-	14,090	17,899	(19,200)	284	-	(5,000)	-	8,073	-	-	-	8,073	
Oxford University Press - Guide Historical Literature	-	79,334	-	-	-	79,334	-	-	1,661	-	-	-	80,995	-	-	-	80,995	
CASTL Program	-	5,000	-	-	-	5,000	-	-	101	-	-	-	5,101	-	-	-	5,101	
National Endowment for the Humanities	-	-	-	-	-	-	32,720	(29,474)	-	-	(3,246)	-	-	-	-	-	-	
Carnegie Mellon NHEN	-	55,312	-	-	-	55,312	-	(12,018)	1,027	-	-	-	44,321	-	-	-	44,321	
Total grant programs	-	855,419	-	-	-	855,419	542,959	(620,394)	18,681	-	(11,246)	-	785,419	-	-	-	785,419	

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2002

	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	Permanently Restricted	Temporarily Restricted		
<b>Special Funds</b>																	
Albert J. Beveridge Memorial Fund	100,000	-	377,560	-	377,560	477,560	-	(12,082)	(85,011)	(3,040)	(19,306)	100,000	-	258,121	-	258,121	358,121
Littleton-Griswold Fund	25,000	-	256,382	-	256,382	281,382	-	(7,693)	(50,005)	(1,788)	(11,261)	25,000	-	185,635	-	185,635	210,635
David M. Matteson Fund	87,000	44,019	319,234	-	319,234	450,253	-	-	(81,174)	(2,902)	(18,500)	87,000	44,019	216,658	-	216,658	347,677
National History Center	-	-	28,130	-	28,130	28,130	41,767	(74,562)	248	-	4,417	-	-	-	-	-	-
Endowment Fund	-	-	742,957	-	742,957	742,957	-	(500)	(136,221)	(4,861)	(31,370)	-	-	570,005	-	570,005	570,005
Bernadotte Schmitt Endowment Fund	-	-	587,097	-	587,097	587,097	-	(17,263)	(106,470)	(3,807)	-	-	-	459,557	-	459,557	459,557
J. Franklin Jameson Fund	-	22,649	-	-	-	22,649	-	(10,000)	(3,260)	(116)	-	-	9,273	-	-	-	9,273
Total special funds	212,000	66,668	2,311,360	-	2,311,360	2,590,028	41,767	(122,100)	(461,893)	(16,514)	(76,020)	212,000	53,292	1,689,976	-	1,689,976	1,955,268
<b>General Funds</b>																	
Working Capital Fund	-	-	100,000	-	100,000	100,000	-	-	-	-	-	-	-	100,000	-	100,000	100,000
Property, Plant and Equipment Fund	-	-	402,738	-	402,738	402,738	-	-	-	-	-	-	-	402,738	-	402,738	402,738
Undesignated Fund	-	-	-	(314,878)	(314,878)	(314,878)	2,628,221	(2,795,256)	(12,244)	(439)	87,266	-	-	-	(407,330)	(407,330)	(407,330)
Total general funds	-	-	502,738	(314,878)	187,860	187,860	2,628,221	(2,795,256)	(12,244)	(439)	87,266	-	-	502,738	(407,330)	95,408	95,408
Total net assets	\$ 522,120	\$ 1,538,751	\$ 2,814,098	\$ (314,878)	\$ 2,499,220	\$ 4,560,091	\$ 3,212,947	\$ (3,562,339)	\$ (619,537)	\$ (22,835)	\$ -	\$ 522,120	\$ 1,260,823	\$ 2,192,714	\$ (407,330)	\$ 1,785,384	\$ 3,568,327

See accompanying notes and independent auditors' report.

**AMERICAN HISTORICAL ASSOCIATION**

**SUPPLEMENTAL STATEMENTS OF GENERAL OPERATIONS**

**For the years ended June 30, 2003 and 2002**

	<b>2003</b>	<b>2002</b>
<b>REVENUE AND SUPPORT</b>		
Membership dues	\$ 1,038,852	\$ 983,371
Annual Conference	687,720	562,960
American Historical Review	686,556	481,409
Publications	555,708	588,619
Administrative income	-	11,246
Contributions	28,337	7,815
Interest allocation from designated investments	99,946	80,438
Miscellaneous	2,048	3,392
Total revenue and support	3,099,167	2,719,250
<b>EXPENSES</b>		
Programs:		
American Historical Review	748,310	728,733
Annual Meeting	324,761	359,423
Membership	223,708	225,800
Publications	566,143	517,253
Total programs	1,862,922	1,831,209
Support services:		
General and Administrative	663,878	560,322
Council	314,307	327,762
Total support services	978,185	888,084
Total expenses	2,841,107	2,719,293
Change in net assets	\$ 258,060	\$ (43)

**Note:** Interest allocation calculated and approved by the Executive Council was \$137,790 and \$127,020 for the years ended June 30, 2003 and 2002, respectively. The above interest allocation represents actual transfers from Fiduciary Trust.

See accompanying notes and independent auditors' report.