

American Historical Association

Financial Statements

(With Independent Auditors' Report)

For the years ended June 30, 2011 and 2010

AMERICAN HISTORICAL ASSOCIATION

CONTENTS

Independent Auditors' Report

Financial Statements

Page

Statements of Financial Position	1
Statements of Activities	2
Statements of Cash Flows	3
Notes to Financial Statements	4

Supplemental Information

Supplemental Statements of Expenses - by Program	13
Supplemental Statements of Net Assets by Classification	15
Supplemental Statements of General Operations	19



1015 18th Street, N.W. Suite 1101
WASHINGTON, D.C. 20036
202-223-5001 VOICE
202-403-3888 FAX
EMAIL@MCMASTERCPA.COM

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, 2011 and 2010 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, 2011 and 2010, 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, and net assets by classification for the years ended June 30, 2011 and 2010 and the schedule of general operations for the years ended June 30, 2011, 2010 and 2009 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, 2011 and 2010 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 & Associates, PC'.

January 12, 2012
Washington, DC

AMERICAN HISTORICAL ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2011 and 2010

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>	<u>LIABILITIES AND NET ASSETS</u>	<u>2011</u>	<u>2010</u>
Current assets:			Current liabilities:		
Cash and equivalents	\$ 392,350	\$ 494,186	Accounts payable	\$ 84,750	\$ 93,823
Accounts receivable	179,183	164,440	Accrued expenses	173,632	192,387
Grants and pledges receivable	18,300	6,100	Deferred revenue:		
Interest and dividends receivable	11,130	14,365	Memberships	599,987	655,530
Inventory	158,350	147,377	Subscriptions	11,720	5,012
Prepaid expenses	84,096	64,390	Annual meeting	32,800	55,200
	<u>843,409</u>	<u>890,858</u>	Life memberships - current portion	12,688	9,090
Total current assets			Total current liabilities	915,577	1,011,042
Fixed assets:			Life memberships - long term	57,242	58,652
Land	8,000	8,000			
Building and improvements	570,065	558,003	Total liabilities	972,819	1,069,694
Furniture and equipment	821,581	817,566			
	<u>1,399,646</u>	<u>1,383,569</u>	Net assets:		
Less: accumulated depreciation	(882,701)	(776,781)	Unrestricted:		
Net fixed assets	516,945	606,788	Undesignated	1,004,938	736,430
Other assets			Designated	2,176,312	1,919,087
Investments - long term	4,098,473	3,358,404	Total unrestricted	3,181,250	2,655,517
Deposits	715	715	Temporarily restricted	824,102	650,183
	<u>4,099,188</u>	<u>3,359,119</u>	Permanently restricted	481,370	481,370
Total other assets			Total net assets	4,486,723	3,787,071
Total assets	<u>\$ 5,459,542</u>	<u>\$ 4,856,765</u>	Total liabilities and net assets	<u>\$ 5,459,542</u>	<u>\$ 4,856,765</u>

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2011 and 2010

	2011				2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT								
Membership dues	\$ 1,071,225	\$ -	\$ -	\$ 1,071,225	\$ 1,153,705	\$ -	\$ -	\$ 1,153,705
Annual conference	1,042,276	-	-	1,042,276	849,321	-	-	849,321
American Historical Review Publications	560,000	-	-	560,000	560,000	-	-	560,000
Program service fees	543,532	-	-	543,532	572,716	-	-	572,716
Grants and contributions	72,332	-	-	72,332	70,300	-	-	70,300
Interest and dividends	37,283	124,854	-	162,137	33,480	62,638	-	96,118
Realized gains and losses on investments	82,614	17,419	-	100,033	81,152	21,748	-	102,900
Unrealized losses on investments	7,907	1,779	-	9,686	85,443	22,467	-	107,910
Net assets released from restriction	412,895	92,918	-	505,813	184,139	48,418	-	232,557
	63,160	(63,160)	-	-	51,074	(51,074)	-	-
Total revenue and support	3,893,224	173,810	-	4,067,034	3,641,330	104,197	-	3,745,527
EXPENSES								
Programs:								
American Historical Review	581,735	-	-	581,735	546,807	-	-	546,807
Annual Meeting	697,102	-	-	697,102	769,797	-	-	769,797
Membership	305,733	-	-	305,733	257,290	-	-	257,290
Publications	850,697	-	-	850,697	789,161	-	-	789,161
Grants and programs	167,427	-	-	167,427	101,962	-	-	101,962
Special Funds and Prizes	48,011	-	-	48,011	100,495	-	-	100,495
Total programs	2,650,705	-	-	2,650,705	2,565,512	-	-	2,565,512
Support services:								
General and Administrative	204,172	-	-	204,172	218,763	-	-	218,763
Council	512,505	-	-	512,505	517,151	-	-	517,151
Total support services	716,677	-	-	716,677	735,914	-	-	735,914
Total expenses	3,367,382	-	-	3,367,382	3,301,426	-	-	3,301,426
Change in net assets	525,842	173,810	-	699,652	339,904	104,197	-	444,101
Net assets, beginning of year	2,655,518	650,183	481,370	3,787,071	2,315,614	545,986	481,370	3,342,970
Net assets, end of year	<u>\$ 3,181,360</u>	<u>\$ 823,993</u>	<u>\$ 481,370</u>	<u>\$ 4,486,723</u>	<u>\$ 2,655,518</u>	<u>\$ 650,183</u>	<u>\$ 481,370</u>	<u>\$ 3,787,071</u>

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets:	\$ 699,652	\$ 444,101
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	105,920	57,726
Unrealized (gain) on investments	(505,813)	(232,557)
Accounts receivable	(14,743)	(15,825)
Grants and pledges receivable	(12,200)	11,192
Interest and dividends receivable	3,235	143
Inventory	(10,973)	(2,291)
Prepaid expenses	(19,706)	(16,405)
Accounts payable	(9,073)	38,581
Accrued expenses	(18,755)	16,728
Deferred revenue	(69,047)	(64,059)
Total adjustments	<u>(551,155)</u>	<u>(206,767)</u>
Net cash provided (used) by operating activities	148,497	237,334
Cash flows from investing activities		
Purchase of investments	(484,160)	(1,088,133)
Sale of investments	249,149	1,359,845
Purchase of fixed assets	<u>(15,322)</u>	<u>(245,830)</u>
Net cash provided by investing activities	<u>(250,333)</u>	<u>25,882</u>
Net increase (decrease) in cash and equivalents	(101,836)	263,216
Cash and equivalents, beginning of year	<u>494,186</u>	<u>230,970</u>
Cash and equivalents, end of year	<u>\$ 392,350</u>	<u>\$ 494,186</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, 2011 and 2010

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, 2011 and 2010

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, 2011 and 2010 was \$105,920 and \$57,726, 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 \$26,209 and \$36,422 for the years ended June 30, 2011 and 2010, 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.

Endowment Funds

The Financial Accounting Standards Board issues Staff Position No. FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to and Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds (the FSP)*. The FSP provides guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006. The FSP also improves disclosures about an organization's endowment funds (both donor restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA.

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2011 and 2010, the Association received \$124,854 and \$62,638 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, 2011 and 2010 the Association did not receive any permanently restricted contributions. The balance of the permanently restricted funds were \$481,370 and \$481,370 for the years ended June 30, 2011 and 2010, respectively.

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2011 and 2010, the Association did not receive any donated materials or services.

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 2011 and 2010, 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.

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

3. INVESTMENTS

The value of investments was as follows:

	June 30, 2011		June 30, 2010	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
U.S. Treasury notes and bonds	\$ 800,314	\$ 873,594	\$ 889,900	\$ 972,953
Equity mutual Funds	1,268,480	2,234,634	1,234,631	1,686,353
Fixed income mutual Funds	<u>971,400</u>	<u>990,245</u>	<u>680,013</u>	<u>699,098</u>
Total	<u>\$ 3,040,194</u>	<u>\$ 4,098,473</u>	<u>\$ 2,804,544</u>	<u>\$ 3,358,404</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. FAIR VALUE MEASUREMENTS

FASB Statement No. 157, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

4. FAIR VALUE MEASUREMENTS (Continued)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize and the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2011.

Mutual funds: Valued at the net asset value (NAV) of shares at year end.

Cash and equivalents: Valued at cost.

Equity Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following sets forth by level, within the fair value hierarchy, the Association's assets at fair value as of June 30, 2011:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Treasury notes and bonds	\$ 873,594	\$ 873,594	\$ -	\$ -
Equity mutual funds	2,234,634	2,234,634	-	-
Mutual funds	990,245	990,245	-	-
Total	<u>\$ 4,098,473</u>	<u>\$ 4,098,473</u>	<u>\$ -</u>	<u>\$ -</u>

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

5. ENDOWMENT AND BOARD-DESIGNATED FUNDS

The Association endowment includes both donor-restricted endowment funds and funds designated by the Council to function as endowments/board-designated funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the Council to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of Relevant Law

Based on its interpretation of the provisions of UPMIFA and the FSP described in Note 1, the Association feels that retaining its existing policies regarding net asset classification of its donor restricted endowment funds is appropriate. Distribution of any gift, bequest or fund is governed by the Association's governing documents and donor agreements. Thirty-nine percent of the Association endowment funds make available the use of principal which are able to be utilized for the intended purpose of the fund. As a result of the ability to distribute corpus, the Association has determined that these donor restricted contributions received subject to the governing documents and subject to UPMIFA are classified as temporarily restricted until appropriated, at which time the appropriation is reclassified to unrestricted net assets. Board designated endowments do not possess external spending restrictions and therefore are classified as unrestricted net assets. Endowment funds that require the corpus remain restricted in perpetuity represent eight percent of the Association's endowment funds are classified as permanently restricted.

Funds with Deficiencies

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the level that the donor or UPMIFA requires the Association to retain as a fund of perpetual duration. There were no deficiencies as of June 30, 2011.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment and board-designated assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

5. ENDOWMENT AND BOARD-DESIGNATED FUNDS (Continued)

purchasing power of the endowment assets. Endowment assets included those assets of donor-restricted funds that the Association must hold until appropriated as well as board-designated funds. Under this policy, as approved by the Council, the board-designated assets are invested in funds with a primary objective of safety and liquidity. The objective of the restricted assets is to maintain the real purchasing power in order to support the Association's programs, initiatives and operations.

Strategies Employed for Achieving Objectives

To satisfy its long-term, rate-of-return objectives, the Association 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). As a result, the Association has elected to adopt a well-diversified asset allocation consisting of equity and fixed income securities. The Association's current asset allocation for endowment funds targets a composition of between 40 to 80 percent in equities and 20 to 60 percent in fixed income funds.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Expenditures from the board-designated net assets are released as approved by the Association's Council. The earnings on the temporarily restricted net assets are reinvested. Temporarily restricted net assets are released from restricted funds and are used in accordance with donor stipulations.

The changes in endowment net assets for the year ended June 30, 2011 are detailed for income, expenses, investment earnings, investment expenses and transfers on the supplemental statement of net assets by classification.

6. COMMITMENTS

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.

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and 2010

7. 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, 2011 and 2010, contributions to the plan were \$111,856 and \$108,766, respectively. There were no contributions due to the plan at June 30, 2011 and 2010, respectively.

8. 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 \$250,000. 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, 2011

	Programs						Support Services		Total Support Services		Total
	American Historical Review	Annual Meeting	Membership	Publications	Grants and Programs	Special Funds and Prizes	Total Programs	General and Administrative	Council	Total Support Services	
Salaries and fringe benefits	\$ 22,157	\$ 230,679	\$ 155,174	\$ 448,532	\$ 54,630	\$ 2,647	\$ 913,819	\$ 409,902	\$ 334,954	\$ 744,856	\$ 1,658,675
Bank fees and service charges	-	32,449	43,614	18,283	-	-	94,346	9,571	-	9,571	103,917
Communications	13	6,599	-	716	-	-	7,328	20,326	5,700	26,026	33,354
Contractors	399,360	76,429	-	3,804	3,700	-	483,293	21,802	-	21,802	505,095
Contributions and coalition	-	-	-	-	-	-	-	91,235	-	91,235	91,235
Depreciation	-	-	-	-	-	-	-	105,920	-	105,920	105,920
Dues and subscriptions	-	-	2,504	7,650	-	-	10,154	4,929	-	4,929	15,083
Equipment rental and maintenance	-	14,000	-	-	-	-	14,000	16,397	-	16,397	30,397
Insurance	-	-	-	-	-	-	-	9,620	-	9,620	9,620
Meetings and conferences	3,214	101,396	-	61	31,416	-	136,087	6,972	33,135	40,107	176,194
Miscellaneous	-	-	-	-	-	141	141	2,395	443	2,838	2,979
Office expense	11,021	721	-	243	10,000	-	21,985	23,524	7,437	30,961	52,946
Postage and delivery	8,311	26,619	29,712	63,041	-	47	127,730	3,567	15	3,582	131,312
Printing and duplicating	-	39,440	11,349	113,773	1,902	180	166,644	5,550	456	6,006	172,650
Prizes, grants and honorariums	-	3,838	-	18,750	32,278	34,900	89,766	-	-	-	89,766
Professional fees	5,661	782	-	-	-	-	6,443	50,789	-	50,789	57,232
Publicity and advertising	-	-	2,270	-	-	-	2,270	-	-	-	2,270
Repairs and maintenance	-	-	-	-	-	-	-	19,498	-	19,498	19,498
Storage	-	-	-	5,402	-	-	5,402	6,332	-	6,332	11,734
Supplies	1,700	153	-	-	-	-	1,853	-	-	-	1,853
Taxes, licenses and permits	-	-	-	-	-	-	-	4,249	-	4,249	4,249
Travel	13,970	21,370	-	327	-	500	36,167	8,680	27,841	36,521	72,688
Utilities	-	3,235	-	-	-	-	3,235	15,480	-	15,480	18,715
Total expense, before overhead allocation	465,407	557,710	244,623	680,582	133,926	38,415	2,120,663	836,738	409,981	1,246,719	3,367,382
Overhead allocation	116,328	139,392	61,110	170,115	33,501	9,596	530,042	(632,566)	102,524	(530,042)	-
Total expense	\$ 581,735	\$ 697,102	\$ 305,733	\$ 850,697	\$ 167,427	\$ 48,011	\$ 2,650,705	\$ 204,172	\$ 512,505	\$ 716,677	\$ 3,367,382

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION
SUPPLEMENTAL STATEMENT OF EXPENSES BY PROGRAM

For the year ended June 30, 2010

	Programs						Support Services			Total Support Services	Total
	American Historical Review	Annual Meeting	Membership	Publications	Grants and Programs	Special Funds and Prizes	Total Programs	General and Administrative	Council		
Salaries and fringe benefits	\$ 21,083	\$ 242,465	\$ 122,394	\$ 376,092	\$ 40,641	\$ 3,392	\$ 806,067	\$ 436,561	\$ 340,464	\$ 777,025	\$ 1,583,092
Bad debts	-	-	-	-	-	-	-	-	-	-	-
Bank fees and service charges	-	22,956	47,390	16,423	-	44	86,813	6,770	-	6,770	93,583
Communications	11	1,342	-	-	-	-	1,353	36,574	-	36,574	37,927
Contractors	381,594	28,011	2,311	17,270	-	450	429,636	7,186	-	7,186	436,822
Contributions and coalition	-	-	-	-	-	-	-	121,215	-	121,215	121,215
Depreciation	3,726	-	-	-	-	-	3,726	54,000	-	54,000	57,726
Dues and subscriptions	-	-	-	-	-	-	-	4,827	-	4,827	4,827
Equipment rental and maintenance	-	14,000	-	-	-	-	14,000	19,346	-	19,346	33,346
Insurance	-	6,002	-	-	-	-	6,002	13,391	-	13,391	19,393
Meetings and conferences	2,906	175,550	-	-	6,722	-	185,178	3,464	18,774	22,238	207,416
Miscellaneous	45	738	-	2,624	493	-	3,900	2,135	-	2,135	6,035
Office expense	4,701	2,255	-	-	-	-	6,956	11,572	17,051	28,623	35,579
Postage and delivery	7,199	34,790	23,338	70,560	-	-	135,887	2,269	-	2,269	138,156
Printing and duplicating	-	47,719	9,163	134,767	-	-	191,649	2,173	-	2,173	193,822
Prizes, grants and honorariums	-	500	-	-	33,198	74,495	108,193	1,500	-	1,500	109,693
Professional fees	-	-	-	-	-	-	-	96,748	-	96,748	96,748
Publicity and advertising	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	19,574	-	19,574	19,574
Storage	-	-	-	9,859	-	-	9,859	8,984	-	8,984	18,843
Supplies	1,400	-	-	-	-	-	1,400	-	-	-	1,400
Taxes, licenses and permits	-	-	-	-	-	-	-	(24,411)	-	(24,411)	(24,411)
Travel	12,210	35,897	-	-	-	1,546	49,653	8,339	34,964	43,303	92,956
Utilities	-	-	-	-	-	-	-	17,684	-	17,684	17,684
Total expense, before overhead allocation	434,875	612,225	204,596	627,595	81,054	79,927	2,040,272	849,901	411,253	1,261,154	3,301,426
Overhead allocation	111,932	157,572	52,694	161,566	20,908	20,568	525,240	(631,138)	105,898	(525,240)	-
Total expense	\$ 546,807	\$ 769,797	\$ 257,290	\$ 789,161	\$ 101,962	\$ 100,495	\$ 2,565,512	\$ 218,763	\$ 517,151	\$ 735,914	\$ 3,301,426

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2011

	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			
Prize Funds																	
Herbert Baxter Adams Prize Fund	\$ 5,000	\$ 18,746	\$ -	\$ -	\$ -	\$ 23,746	\$ -	\$ (1,000)	\$ 3,875	\$ (123)	\$ -	\$ 5,000	\$ 21,498	\$ -	\$ -	\$ -	\$ 26,498
Martin A. Klein Prize Fund	-	61,009	-	-	-	61,009	400	(1,000)	9,943	(314)	-	-	70,038	-	-	-	70,038
John E. Richards Prize Fund	-	-	-	-	-	-	53,194	-	4,362	(138)	-	-	57,418	-	-	-	57,418
Ancient History Prize Fund - James H. Breasted Fund	10,800	3,054	-	-	-	13,854	-	(1,000)	2,230	(71)	-	10,800	4,213	-	-	-	15,013
George Louis Beer Prize Fund	5,000	62,575	-	-	-	67,575	-	(1,500)	11,040	(349)	-	5,000	71,766	-	-	-	76,766
Beveridge Family Prize Fund	20,000	1,191	-	-	-	21,191	-	(1,500)	3,448	(109)	-	20,000	3,030	-	-	-	23,030
Paul Birdsall Prize Fund	10,000	11,837	-	-	-	21,837	-	(1,000)	3,570	(113)	-	10,000	14,294	-	-	-	24,294
Albert Corey Prize Fund	25,000	40,982	-	-	-	65,982	1,000	(1,000)	10,796	(341)	-	25,000	51,437	-	-	-	76,437
Premio Del Rey Prize Fund	10,800	12,730	-	-	-	23,530	-	(1,000)	3,814	(121)	-	10,800	15,423	-	-	-	26,223
John H. Dunning Prize Fund	2,000	24,813	-	-	-	26,813	-	-	4,362	(138)	-	2,000	29,037	-	-	-	31,037
John K. Fairbank Prize Fund	7,990	41,012	-	-	-	49,002	-	(1,500)	8,018	(253)	-	7,990	47,277	-	-	-	55,267
Morris D. Forkosch Prize Fund	16,000	17,927	-	-	-	33,927	-	(1,500)	5,520	(175)	-	16,000	21,772	-	-	-	37,772
Leo Gershoy Prize Fund	10,000	39,606	-	-	-	49,606	-	(1,500)	8,079	(255)	-	10,000	45,930	-	-	-	55,930
William Gilbert Prize Fund	10,000	9,349	-	-	-	19,349	-	-	3,144	(100)	-	10,000	12,393	-	-	-	22,393
Clarence H. Haring Prize Fund	3,000	26,671	-	-	-	29,671	-	-	4,850	(153)	-	3,000	31,368	-	-	-	34,368
Joan Kelly Prize Fund	18,692	16,485	-	-	-	35,177	-	(1,500)	5,764	(182)	-	18,692	20,567	-	-	-	39,259
J. Russell Major Prize Fund	25,000	15,046	-	-	-	40,046	-	(1,500)	6,556	(207)	-	25,000	19,895	-	-	-	44,895
Howard R. Marraro Prize Fund	10,000	13,151	-	-	-	23,151	-	(1,000)	3,753	(119)	-	10,000	15,785	-	-	-	25,785
George L. Mosse Prize Fund	27,088	2,252	-	-	-	29,340	-	(1,000)	4,789	(151)	-	27,088	5,890	-	-	-	32,978
James A. Rawley Award	20,000	8,195	-	-	-	28,195	-	(1,500)	4,606	(146)	-	20,000	11,155	-	-	-	31,155
Nancy Roelker Award	18,000	9,500	-	-	-	27,500	-	(1,000)	4,484	(142)	-	18,000	12,842	-	-	-	30,842
Andrew D. White Prize Fund	-	12,801	-	-	-	12,801	-	-	2,047	(65)	-	-	14,783	-	-	-	14,783
Wesley-Logan Prize Fund	-	7,660	-	-	-	7,660	-	(1,000)	1,255	(40)	-	-	7,875	-	-	-	7,875
Herbert Feis Prize Fund	-	10,588	-	-	-	10,588	-	(1,000)	1,681	(54)	-	-	11,215	-	-	-	11,215
John E. Fagg Prize Fund	-	335	-	-	-	335	-	(1,000)	737	(2)	-	-	70	-	-	-	70
Total prize funds	254,370	467,516	-	-	-	721,886	54,594	(24,000)	122,723	(3,861)	-	254,370	616,972	-	-	-	871,342
Grant Programs																	
National Aeronautics and Space Administration Fellowship Program	-	-	-	-	-	-	25,000	(20,000)	-	-	-	-	5,000	-	-	-	5,000
Mellon Research Planning Grant	-	-	-	-	-	-	25,100	(12,278)	-	-	-	-	12,822	-	-	-	12,822
Oxford University Press - Guide Historical Literature	-	97,357	-	-	-	97,357	-	-	974	-	-	-	98,331	-	-	-	98,331
Total grant programs	-	97,357	-	-	-	97,357	50,100	(32,278)	974	-	-	-	116,153	-	-	-	116,153

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2011

	Beginning of Year					Income	Expense	Investment Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	End of Year						
	Permanently Restricted	Temporarily Restricted	Unrestricted		Total						Permanently Restricted	Temporarily Restricted	Unrestricted		Total		
		Designated	Undesignated	Unrestricted	Total						Designated	Undesignated	Unrestricted	Total			
Special Funds																	
Albert J. Beveridge Memorial Fund	100,000	-	135,608	-	135,608	235,608	-	(2,000)	38,633	(1,216)	(17,660)	100,000	-	153,365	-	153,365	253,365
Littleton-Griswold Fund	25,000	-	100,416	-	100,416	125,416	-	(1,000)	20,535	(646)	(13,680)	25,000	-	105,625	-	105,625	130,625
David M. Matteson Fund	87,000	44,019	152,963	-	152,963	283,982	-	-	46,554	(1,465)	(19,410)	87,000	44,019	178,642	-	178,642	309,661
125th Anniversary Fund	-	-	8,683	-	8,683	8,683	8,408	-	1,402	(44)	-	-	-	18,449	-	18,449	18,449
Endowment Fund	-	-	519,583	-	519,583	519,583	11,752	(7,400)	85,187	(2,681)	(27,930)	-	-	578,511	-	578,511	578,511
Michael Kraus Fund	15,000	41,292	-	-	-	56,292	-	-	9,201	(290)	-	15,000	50,203	-	-	-	65,203
Bernadotte Schmitt Endowment Fund	-	-	414,490	-	414,490	414,490	-	(500)	67,942	(2,138)	(21,320)	-	-	458,474	-	458,474	458,474
Total special funds	227,000	85,311	1,331,743	-	1,331,743	1,644,054	20,160	(10,900)	269,454	(8,480)	(100,000)	227,000	94,222	1,493,066	-	1,493,066	1,814,288
General Funds																	
Working Capital Fund	-	-	116,655	-	116,655	116,655	-	-	19,134	(602)	-	-	-	135,187	-	135,187	135,187
Property, Plant and Equipment Fund	-	-	470,689	-	470,689	470,689	-	-	77,205	(2,430)	-	-	-	545,464	-	545,464	545,464
Undesignated Fund	-	-	-	736,430	736,430	736,430	3,331,857	(3,281,028)	120,834	(3,804)	100,000	-	-	-	1,004,289	1,004,289	1,004,289
Total general funds	-	-	587,344	736,430	1,323,774	1,323,774	3,331,857	(3,281,028)	217,173	(6,836)	100,000	-	-	680,651	1,004,289	1,684,940	1,684,940
Total net assets	\$ 481,370	\$ 650,183	\$ 1,919,087	\$ 736,430	\$ 2,655,517	\$ 3,787,071	\$ 3,456,711	\$ (3,348,206)	\$ 610,324	\$ (19,177)	\$ -	\$ 481,370	\$ 827,346	\$ 2,173,717	\$ 1,004,289	\$ 3,178,006	\$ 4,486,723

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2010

	Beginning of Year		Investment				End of Year		Total		Total						
	Permanently Restricted	Temporarily Restricted	Unrestricted		Total	Income	Expense	Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	Permanently Restricted	Temporarily Restricted	Designated	Undesignated	Unrestricted	Total	
Prize Funds																	
Herbert Baxter Adams Prize Fund	\$ 5,000	\$ 16,942	\$ -	\$ -	\$ -	\$ 21,942	\$ -	\$ (1,000)	\$ 2,918	\$ (114)	\$ -	\$ 5,000	\$ 18,746	\$ -	\$ -	\$ -	\$ 23,746
Martin A. Klein Prize Fund	-	17,884	-	-	-	17,884	38,238	-	5,085	(198)	-	-	61,009	-	-	-	61,009
Ancient History Prize Fund - James H. Breasted Fund	10,800	2,397	-	-	-	13,197	-	(1,000)	1,724	(67)	-	10,800	3,054	-	-	-	13,854
George Louis Beer Prize Fund	5,000	56,129	-	-	-	61,129	-	(1,500)	8,268	(322)	-	5,000	62,575	-	-	-	67,575
Beveridge Family Prize Fund	20,000	1,946	-	-	-	21,946	-	(3,432)	2,785	(108)	-	20,000	1,191	-	-	-	21,191
Paul Birdsall Prize Fund	10,000	9,287	-	-	-	19,287	-	-	2,653	(103)	-	10,000	11,837	-	-	-	21,837
Albert Corey Prize Fund	25,000	33,290	-	-	-	58,290	-	-	8,003	(311)	-	25,000	40,982	-	-	-	65,982
Premio Del Rey Prize Fund	10,800	10,010	-	-	-	20,810	-	-	2,830	(110)	-	10,800	12,730	-	-	-	23,530
John H. Dunning Prize Fund	2,000	22,626	-	-	-	24,626	-	(1,000)	3,316	(129)	-	2,000	24,813	-	-	-	26,813
John K. Fairbank Prize Fund	7,990	36,733	-	-	-	44,723	-	(1,500)	6,013	(234)	-	7,990	41,012	-	-	-	49,002
Morris D. Forkosch Prize Fund	16,000	15,390	-	-	-	31,390	-	(1,500)	4,200	(163)	-	16,000	17,927	-	-	-	33,927
Leo Gershoy Prize Fund	10,000	35,241	-	-	-	45,241	-	(1,500)	6,102	(237)	-	10,000	39,606	-	-	-	49,606
William Gilbert Prize Fund	10,000	8,054	-	-	-	18,054	-	(1,000)	2,388	(93)	-	10,000	9,349	-	-	-	19,349
Clarence H. Haring Prize Fund	3,000	23,229	-	-	-	26,229	-	-	3,581	(139)	-	3,000	26,671	-	-	-	29,671
Joan Kelly Prize Fund	18,692	13,821	-	-	-	32,513	-	(1,500)	4,333	(169)	-	18,692	16,485	-	-	-	35,177
J. Russell Major Prize Fund	25,000	11,831	-	-	-	36,831	-	(1,544)	4,952	(193)	-	25,000	15,046	-	-	-	40,046
Howard R. Marraro Prize Fund	10,000	11,389	-	-	-	21,389	-	(1,000)	2,874	(112)	-	10,000	13,151	-	-	-	23,151
George L. Mosse Prize Fund	27,088	-	-	-	-	27,088	-	-	2,343	(91)	-	27,088	2,252	-	-	-	29,340
James A. Rawley Award	20,000	6,338	-	-	-	26,338	-	(1,500)	3,493	(136)	-	20,000	8,195	-	-	-	28,195
Nancy Roelker Award	18,000	7,229	-	-	-	25,229	-	(1,000)	3,404	(133)	-	18,000	9,500	-	-	-	27,500
Andrew D. White Prize Fund	-	11,314	-	-	-	11,314	-	-	1,547	(60)	-	-	12,801	-	-	-	12,801
Wesley-Logan Prize Fund	-	7,725	-	-	-	7,725	-	(1,000)	973	(38)	-	-	7,660	-	-	-	7,660
Herbert Feis Prize Fund	-	10,770	-	-	-	10,770	-	(1,500)	1,371	(53)	-	-	10,588	-	-	-	10,588
John E. Fagg Prize Fund	-	1,250	-	-	-	1,250	-	(1,000)	88	(3)	-	-	335	-	-	-	335
Total prize funds	254,370	370,826	-	-	-	625,196	38,238	(23,476)	85,244	(3,316)	-	254,370	467,516	-	-	-	721,886
Grant Programs																	
National Aeronautics and Space Administration Fellowship Program	-	-	-	-	-	-	24,400	(24,405)	5	-	-	-	-	-	-	-	-
Oxford University Press - Guide Historical Literature	-	96,393	-	-	-	96,393	-	-	964	-	-	-	97,357	-	-	-	97,357
Total grant programs	-	96,393	-	-	-	96,393	24,400	(24,405)	969	-	-	-	97,357	-	-	-	97,357

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2010

	Beginning of Year				Total	Total	Income	Expense	Investment Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	End of Year					
	Permanently Restricted	Temporarily Restricted	Unrestricted									Permanently Restricted	Temporarily Restricted	Unrestricted		Total	Total
		Designated	Undesignated	Unrestricted								Designated	Undesignated	Unrestricted	Total		
Special Funds																	
Albert J. Beveridge Memorial Fund	100,000	-	128,883	-	128,883	228,883	-	(5,700)	30,950	(1,205)	(17,320)	100,000	-	135,608	-	135,608	235,608
Littleton-Griswold Fund	25,000	-	106,141	-	106,141	131,141	-	(8,695)	17,376	(676)	(13,730)	25,000	-	100,416	-	100,416	125,416
David M. Matteson Fund	87,000	44,019	136,557	-	136,557	267,576	-	-	36,653	(1,427)	(18,820)	87,000	44,019	152,963	-	152,963	283,982
125th Anniversary Fund	-	-	1,020	-	1,020	1,020	7,068	-	619	(24)	-	-	-	8,683	-	8,683	8,683
Endowment Fund	-	-	458,157	-	458,157	458,157	36,712	(12,006)	65,791	(2,561)	(26,510)	-	-	519,583	-	519,583	519,583
Michael Kraus Fund	15,000	34,748	-	-	-	49,748	-	-	6,809	(265)	-	15,000	41,292	-	-	-	56,292
Bernadotte Schmitt Endowment Fund	-	-	415,469	-	415,469	415,469	-	(30,050)	54,825	(2,134)	(23,620)	-	-	414,490	-	414,490	414,490
Total special funds	227,000	78,767	1,246,227	-	1,246,227	1,551,994	43,780	(56,451)	213,023	(8,292)	(100,000)	227,000	85,311	1,331,743	-	1,331,743	1,644,054
General Funds																	
Working Capital Fund	-	-	103,100	-	103,100	103,100	-	-	14,104	(549)	-	-	-	116,655	-	116,655	116,655
Property, Plant and Equipment Fund	-	-	415,958	-	415,958	415,958	-	-	56,948	(2,217)	-	-	-	470,689	-	470,689	470,689
Undesignated Fund	-	-	-	550,329	550,329	550,329	3,195,742	(3,179,885)	73,079	(2,835)	100,000	-	-	-	736,430	736,430	736,430
Total general funds	-	-	519,058	550,329	1,069,387	1,069,387	3,195,742	(3,179,885)	144,131	(5,601)	100,000	-	-	587,344	736,430	1,323,774	1,323,774
Total net assets	\$ 481,370	\$ 545,985	\$ 1,765,285	\$ 550,329	\$ 2,315,614	\$ 3,342,970	\$ 3,302,160	\$ (3,284,217)	\$ 443,367	\$ (17,209)	\$ -	\$ 481,370	\$ 650,183	\$ 1,919,087	\$ 736,430	\$ 2,655,517	\$ 3,787,071

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENTS OF GENERAL OPERATIONS

For the years ended June 30, 2011, 2010 and 2009

	<u>2011</u>	<u>2010</u>	<u>2009</u>
REVENUE AND SUPPORT			
Membership dues	\$ 1,071,225	\$ 1,153,705	\$ 1,200,779
Annual Conference	1,042,276	849,321	1,048,656
American Historical Review	560,000	560,000	560,000
Publications	543,532	572,716	623,582
Administrative income	10,000	11,073	17,245
Contributions	37,283	33,480	29,885
Interest allocation from designated investments	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
 Total revenue and support	 3,364,316	 3,280,295	 3,580,147
 EXPENSES			
Programs:			
American Historical Review	465,407	434,875	461,620
Annual Meeting	557,710	612,225	676,062
Membership	244,623	204,596	209,095
Publications	680,582	627,595	610,171
Total programs	<u>1,948,322</u>	<u>1,879,291</u>	<u>1,956,948</u>
Support services:			
General and Administrative	846,738	849,901	1,105,795
Council	409,981	411,253	401,786
Total support services	<u>1,256,719</u>	<u>1,261,154</u>	<u>1,507,581</u>
Total expenses	<u>3,205,041</u>	<u>3,140,445</u>	<u>3,464,529</u>
 Change in net assets	 <u>\$ 159,275</u>	 <u>\$ 139,850</u>	 <u>\$ 115,618</u>

See accompanying notes and independent auditors' report.