



FINANCIAL STATEMENTS

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the ASA Council
American Sociological Association
Washington, D.C.

Opinion

We have audited the financial statements of American Sociological Association, which comprise the statements of financial position as of December 31, 2022 and 2021 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of American Sociological Association as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of American Sociological Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Sociological Association's ability to continue as a going concern for a reasonable period of time.

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

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
April 28, 2023

AMERICAN SOCIOLOGICAL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,735,003	\$ 2,060,637
Accounts receivable, net	287,839	248,280
Pledges receivable, net	10	25,586
Prepaid expenses and other assets	323,269	275,763
Total current assets	2,346,121	2,610,266
Fixed assets, net	6,416,384	6,654,941
OTHER ASSETS		
Deposits	5,000	5,399
Deferred rent asset	36,471	49,666
Investments, long-term	12,522,324	13,242,735
Total other assets	12,563,795	13,297,800
Total assets	\$ 21,326,300	\$ 22,563,007
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 199,565	\$ 156,789
Accrued expenses	189,634	207,232
Current portion of notes payable	255,000	245,000
Current portion of deferred revenue	1,256,558	1,056,488
Total current liabilities	1,900,757	1,665,509
LONG-TERM LIABILITIES		
Notes payable, net of current portion	4,971,115	5,619,231
Interest rate swap obligation	439,086	1,260,795
Deferred revenue, net of current portion	182,978	209,689
Security deposit	23,285	23,285
Total long-term liabilities	5,616,464	7,113,000
Total liabilities	7,517,221	8,778,509
NET ASSETS		
Without donor restrictions	9,101,701	9,585,650
With donor restrictions	4,707,378	4,198,848
Total net assets	13,809,079	13,784,498
Total liabilities and net assets	\$ 21,326,300	\$ 22,563,007

See accompanying notes.

AMERICAN SOCIOLOGICAL ASSOCIATION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Administration	\$ 580,903	\$ -	\$ 580,903
Membership	1,857,553	-	1,857,553
Annual meeting	1,041,520	-	1,041,520
Publications	2,800,048	73,935	2,873,983
Academic and professional resources	388,828	1,929,913	2,318,741
Public engagement	-	1,638	1,638
Net investment loss	(1,370,060)	(613,089)	(1,983,149)
Net assets released from restrictions			
Satisfaction of purpose restrictions	883,867	(883,867)	-
Total revenue	6,182,659	508,530	6,691,189
EXPENSES			
Program services			
Membership	735,186	-	735,186
Annual Meeting	1,677,107	-	1,677,107
Publications	1,323,085	-	1,323,085
Academic and Professional Resources	2,048,238	-	2,048,238
Public Engagement	762,254	-	762,254
Total program services	6,545,870	-	6,545,870
Supporting activities			
Administration	682,573	-	682,573
Governance	241,390	-	241,390
Fundraising	18,483	-	18,483
Total supporting activities	942,446	-	942,446
Total expenses	7,488,316	-	7,488,316
Change in net assets before other changes in net assets	(1,305,657)	508,530	(797,127)
OTHER CHANGES IN NET ASSETS			
Change in fair value of interest rate swap obligation	821,708	-	821,708
Change in net assets	(483,949)	508,530	24,581
Net assets at beginning of year	9,585,650	4,198,848	13,784,498
Net assets at end of year	\$ 9,101,701	\$ 4,707,378	\$ 13,809,079

See accompanying notes.

AMERICAN SOCIOLOGICAL ASSOCIATION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Administration	\$ 559,201	\$ -	\$ 559,201
Membership	1,835,706	-	1,835,706
Annual meeting	524,804	-	524,804
Publications	2,804,834	81,948	2,886,782
Academic and professional resources	342,011	962,491	1,304,502
Public engagement	-	3,156	3,156
Net investment return	1,138,118	395,276	1,533,394
Net assets released from restrictions			
Satisfaction of purpose restrictions	678,356	(678,356)	-
Total revenue	7,883,030	764,515	8,647,545
EXPENSES			
Program services			
Membership	511,760	-	511,760
Annual Meeting	623,938	-	623,938
Publications	1,368,383	-	1,368,383
Academic and Professional Resources	2,249,878	-	2,249,878
Public Engagement	720,111	-	720,111
Total program services	5,474,070	-	5,474,070
Supporting activities			
Administration	688,607	-	688,607
Governance	224,767	-	224,767
Total supporting activities	913,374	-	913,374
Total expenses	6,387,444	-	6,387,444
Change in net assets before other changes in net assets	1,495,586	764,515	2,260,101
OTHER CHANGES IN NET ASSETS			
Change in fair value of interest rate swap obligation	385,803	-	385,803
Change in net assets	1,881,389	764,515	2,645,904
Net assets at beginning of year	7,704,261	3,434,333	11,138,594
Net assets at end of year	\$ 9,585,650	\$ 4,198,848	\$ 13,784,498

See accompanying notes.

AMERICAN SOCIOLOGICAL ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	Program Services					Supporting Activities			Total Expenses	
	Membership	Annual Meeting	Publications	Academic and Professional Resources	Public Engagement	Total Program Services	Administration	Governance		Fundraising
Grants and scholarships	\$ -	\$ -	\$ -	\$ 551,851	\$ 8,732	\$ 560,583	\$ -	\$ -	\$ -	\$ 560,583
Salaries and wages	402,218	308,923	334,302	894,149	477,755	2,417,347	401,839	137,257	-	2,956,443
Professional fees	33,354	7,476	759,894	64,023	12,205	876,952	77,791	24,032	18,483	997,258
Conferences and conventions	-	1,055,601	429	16,601	-	1,072,631	-	12,280	-	1,084,911
Occupancy	52,683	40,463	43,787	109,655	62,577	309,165	52,633	17,978	-	379,776
Depreciation	43,497	33,408	36,152	90,535	51,666	255,258	43,456	14,843	-	313,557
Interest	35,168	27,011	29,230	73,200	41,773	206,382	35,135	12,001	-	253,518
Information technology	110,496	70,299	23,235	44,042	17,613	265,685	25,725	15,971	-	307,381
Office expenses	3,472	15,881	16,634	39,478	4,124	79,589	7,690	1,185	-	88,464
Section allocation and dues	-	-	-	139,816	-	139,816	-	-	-	139,816
Memberships and subscriptions	-	-	60,178	-	73,714	133,892	-	-	-	133,892
Business fees	37,321	37,321	8,294	-	-	82,936	28,108	-	-	111,044
Insurance	5,892	19,617	4,897	12,263	6,998	49,667	5,886	2,010	-	57,563
Bond costs amortization	3,397	2,609	2,824	7,071	4,035	19,936	3,394	1,159	-	24,489
Travel	-	55,386	-	-	-	55,386	-	-	-	55,386
Miscellaneous	7,688	3,112	3,229	5,554	1,062	20,645	916	2,674	-	24,235
Total expenses	\$ 735,186	\$ 1,677,107	\$ 1,323,085	\$ 2,048,238	\$ 762,254	\$ 6,545,870	\$ 682,573	\$ 241,390	\$ 18,483	\$ 7,488,316

See accompanying notes.

AMERICAN SOCIOLOGICAL ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	Program Services					Supporting Activities			Total Expenses
	Membership	Annual Meeting	Publications	Academic and Professional Resources	Public Engagement	Total Program Services	Administration	Governance	
Grants and scholarships	\$ -	\$ -	\$ -	\$ 569,543	\$ 8,910	\$ 578,453	\$ -	\$ -	\$ 578,453
Salaries and wages	239,847	304,783	371,532	897,927	411,541	2,225,630	398,947	133,392	2,757,969
Professional fees	37,330	5,063	715,251	244,401	34,116	1,036,161	78,719	22,226	1,137,106
Conferences and conventions	-	38,043	-	-	-	38,043	-	500	38,543
Occupancy	32,716	41,573	50,678	114,849	56,136	295,952	54,418	18,195	368,565
Depreciation	25,462	32,355	39,441	89,384	43,689	230,331	42,352	14,161	286,844
Interest	23,603	29,993	36,562	82,858	40,499	213,515	39,260	13,127	265,902
Information technology	56,156	75,745	25,596	50,773	18,270	226,540	26,813	15,024	268,377
Office expenses	2,636	3,200	24,443	40,854	4,321	75,454	10,078	1,400	86,932
Section allocation and dues	-	-	-	132,212	-	132,212	-	-	132,212
Memberships and subscriptions	-	-	85,052	-	71,007	156,059	-	-	156,059
Business fees	42,238	42,238	9,386	-	-	93,862	27,142	-	121,004
Insurance	3,614	8,586	5,599	12,688	6,202	36,689	6,012	2,010	44,711
Bond costs amortization	2,265	2,879	3,509	7,953	3,887	20,493	3,768	1,260	25,521
Travel	-	2,191	-	-	-	2,191	-	-	2,191
Miscellaneous	45,893	37,289	1,334	6,436	21,533	112,485	1,098	3,472	117,055
Total expenses	\$ 511,760	\$ 623,938	\$ 1,368,383	\$ 2,249,878	\$ 720,111	\$ 5,474,070	\$ 688,607	\$ 224,767	\$ 6,387,444

See accompanying notes.

AMERICAN SOCIOLOGICAL ASSOCIATION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 24,581	\$ 2,645,904
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	313,557	286,844
Allowance for uncollectible pledges receivable	16,600	3,600
Net realized and unrealized (gains) losses on investments	2,284,423	(1,128,268)
Change in fair value of interest rate swap obligation	(821,708)	(385,803)
Forgiveness of Paycheck Protection Program loan	(417,607)	(394,100)
(Increase) decrease in assets		
Accounts receivable	(39,559)	78,485
Pledges receivable	8,976	49,399
Prepaid expenses and other assets	(47,506)	(159,211)
Deposits	399	-
Deferred rent asset	13,195	12,719
Increase (decrease) in liabilities		
Accounts payable	42,776	(18,354)
Accrued expenses	(17,598)	5,543
Deferred revenue	173,359	86,523
Net cash flows from operating activities	1,533,888	1,083,281
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends retained in investments	(301,275)	(403,370)
Proceeds from sales of investments	-	297,005
Purchases of investments	(1,262,738)	(1,298,615)
Purchases of fixed assets	(75,000)	(106,933)
Net cash flows from investing activities	(1,639,013)	(1,511,913)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Paycheck Protection Program loan	-	417,607
Principal payments on notes payable	(220,509)	(204,479)
Net cash flows from financing activities	(220,509)	213,128
Net change in cash	(325,634)	(215,504)
Cash at beginning of year	2,060,637	2,276,141
Cash at end of year	<u>\$ 1,735,003</u>	<u>\$ 2,060,637</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 253,475	\$ 265,901

See accompanying notes.

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

American Sociological Association (ASA) is a national not-for-profit incorporated in 1905 in Washington, D.C. The mission of ASA is to serve sociologists in their work, advance sociology as a science and profession, and promote the contributions and use of sociology to society. Revenue is derived primarily from membership dues, publications, and the annual meeting.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances, primarily related to royalties and hotel rebates. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At both December 31, 2022 and 2021, the allowance for doubtful accounts was \$120.

Pledges Receivable

Unconditional pledges are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional pledges are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional.

Investments

ASA carries investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

Fixed Assets

All acquisitions of fixed assets in excess of \$5,000 are capitalized and recorded at cost. Assets are depreciated over their estimated useful life using the straight-line method.

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

ASA's revenue consists primarily of membership dues, publication revenues, and annual meeting revenues.

ASA recognizes revenue from membership dues ratably over the applicable membership period, which is on an anniversary basis. Membership dues received in advance of the membership period are deferred and recognized as revenue in that future period. Membership dues are nonrefundable.

Revenues from the annual meeting are recognized over the period of the conference.

Revenue from publication income is billed yearly and is recognized as revenue over the contract on a straight-line basis. Royalty payments are recognized annually based on a fixed-fee contract.

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, occupancy, depreciation, office expenses, information technology, insurance, and miscellaneous expenses, which are allocated on the basis of estimates of time and effort. The following program services and supporting activities are included in the accompanying financial statements:

Membership and Academic and Professional Resources – The American Sociological Association engages in a wide range of activities designed to enhance the professional lives of its members.

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Annual Meeting – The American Sociological Association produces an annual meeting for approximately 5,000 sociology students, teachers, scholars, and practitioners. The meeting includes nearly 600 formal educational sessions as well as a variety of opportunities for professional networking.

Publications – The American Sociological Association publishes 14 scholarly journals including American Sociological Review, Contemporary Sociology, Contexts, Journal of Health and Social Behavior, Social Psychology Quarterly, Sociological Methodology, Sociological Theory, Sociology of Education, Socius, Teaching Sociology, City & Community, Journal of World-Systems Research, Society and Mental Health, and Sociology of Race and Ethnicity. ASA also publishes a few non-serial publications.

Public Engagement – The American Sociological Association seeks to promote the use of sociological scholarship to improve society through outreach to various public and policymaking audiences.

Administration and Governance - These costs contribute to the overall administration and governance of the association including costs for business fees, facilities, board meetings, annual elections, and technology.

Fundraising – These costs relate to the cultivation of contributions to support ASA initiatives.

Income Tax Status

ASA 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, ASA is subject to unrelated business income tax for activities conducted outside its tax-exempt purpose.

Date of Management's Review

Management has evaluated subsequent events through April 28, 2023, the date the financial statements were available to be issued.

NOTE 2 – INTEREST RATE SWAP

To hedge against interest rate risk on the variable rate loan, ASA entered an interest rate swap with a bank as the counterparty. The swap has a declining notional value matching the outstanding principal over time of the original revenue bond. ASA pays interest on the notional value at 3.58% and receives interest on the notional value based on 67% of the floating rate. The swap matures on December 1, 2037. The interest rate swap is valued using a third party's proprietary discounted cash flow model which considers past, present, and future assumptions regarding interest rates and market conditions to estimate its fair value, which is a Level 2 fair value measurement.

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 3 – INVESTMENTS

Investments consist of the following:

	2022	2021
Money market funds	\$ 402,892	\$ 103,531
Bonds	25,019	28,142
Mutual funds	12,094,413	13,111,062
Total investments	\$ 12,522,324	\$ 13,242,735

Mutual funds are valued at unadjusted quoted prices reported on the active markets on which the individual mutual funds are traded, which are Level 1 fair value measurements. Bonds are valued using a market approach that uses as inputs observed interest rates and yield curves, prices in active markets for similar assets, and prices for identical assets in inactive markets that have been adjusted by observable indexes, which are Level 2 fair value measurements.

NOTE 4 – FIXED ASSETS

Fixed assets consist of the following:

	2022	2021
Buildings and improvements	\$ 9,951,023	\$ 9,951,023
Equipment	713,692	896,618
Furniture and fixtures	434,643	434,643
Fixed assets	11,099,358	11,282,284
Accumulated depreciation	(4,682,974)	(4,627,343)
Fixed assets, net	\$ 6,416,384	\$ 6,654,941

NOTE 5 – NOTES PAYABLE

ASA received loans totaling \$811,707 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loans accrue interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by ASA during the covered period. Eligible expenses may include payroll costs, rent, and utilities. Any unforgiven portion is payable over five years. ASA has received preliminary forgiveness on both PPP loans received. ASA must retain PPP documentation in its files for six years after the date the loans are forgiven and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review ASA's good-faith certification concerning the necessity of its loan request, whether ASA calculated the loan amount correctly, whether ASA used loan proceeds for the allowable uses specified in the CARES Act, and whether ASA is entitled to loan forgiveness in the amount claimed on its application. If SBA determines ASA was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 5 – NOTES PAYABLE (continued)

In 2014, ASA refinanced its variable rate D.C. revenue bonds into a \$6,950,000 conventional variable rate loan and term loan of \$250,000 to cover closing costs. The variable rate loan is subject to covenants requiring ASA to maintain certain levels of liquidity and debt coverage. At year end, ASA was in compliance with these loan covenants.

Notes payable consist of the following:

	<u>2022</u>	<u>2021</u>
Variable rate note requiring monthly interest payments and principal due annually. Matures December 1, 2024 and is secured by real estate and standard business security agreement.	\$ 5,270,000	\$ 5,515,000
Paycheck Protection Program Loan	-	417,607
Notes payable	5,270,000	5,932,607
Current portion of notes payable	(255,000)	(245,000)
Unamortized loan acquisition costs	<u>(43,885)</u>	<u>(68,376)</u>
Notes payable, net of current portion	<u>\$ 4,971,115</u>	<u>\$ 5,619,231</u>

The future scheduled maturities of notes payable are as follows:

2023	\$ 255,000
2024	5,015,000
	<u>\$ 5,270,000</u>

NOTE 6 – LESSOR ARRANGEMENT

ASA subleases a portion of its office space to an organization that ASA pays annual membership dues to. The operating lease requires monthly rent payments with annual escalations of 3.75% in base rent. The lease matures in July 2025. Future annual minimum lease payments to be collected are as follows:

2023	\$ 111,625
2024	115,810
2025	69,938
	<u>\$ 297,373</u>

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 7 – RETIREMENT PLAN

ASA sponsors a voluntary retirement plan (the Plan) for its eligible employees. Under the Plan, ASA contributes five percent of the employees' salaries to the Teachers Insurance and Annuity Association. In addition, if an employee contributes a percentage of his or her salary to the Plan, ASA will make matching contributions of up to an additional four percent. Contributions by ASA on behalf of employees amounted to \$206,798 and \$188,879 in 2022 and 2021, respectively.

NOTE 8 – ENDOWMENT

ASA's endowment consists of individual funds established by donors for a variety of purposes. Net assets associated with the endowment are classified and reported based on the existence or absence of donor-imposed restrictions. The ASA Council has determined that its net assets held in perpetuity meet the definition of endowment funds under UPMIFA and has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result, ASA retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts donated to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by ASA in a manner consistent with the standard of prudence prescribed by UPMIFA. ASA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effects of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of ASA, and (7) ASA's investment policies.

ASA has a policy of appropriating for distribution each year 4% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, ASA considered the long-term expected return on its endowment. Accordingly, over the long-term, ASA expects the current spending policy to allow its endowment to grow at an average of 4% annually. This is consistent with ASA's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

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 ASA to retain as a fund of perpetual duration. There were no deficiencies as of December 31, 2022 and 2021.

Endowment net asset composition by type as of December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Donor-restricted endowment funds:		
Original donor-restricted gift amount	\$ 23,000	\$ 23,000
Accumulated investment gains	<u>19,380</u>	<u>26,344</u>
Total endowment funds	<u>\$ 42,380</u>	<u>\$ 49,344</u>

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NOTE 8 – ENDOWMENT (continued)

Changes in endowment net assets for the years ended December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Endowment net assets at beginning of year	\$ 49,344	\$ 43,145
Investment return, net	<u>(6,964)</u>	<u>6,199</u>
Endowment net assets at end of year	<u>\$ 42,380</u>	<u>\$ 49,344</u>

NOTE 9 – CONCENTRATION OF CREDIT RISK

ASA maintains its cash balances in one financial institution located in Washington, D.C. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, ASA's cash balances exceed the FDIC Insurance amount. At December 31, 2022 and 2021, ASA's uninsured cash balances total approximately \$1,450,000 and \$1,790,000, respectively.

NOTE 10 – LIQUIDITY AND AVAILABILITY

The following reflects ASA's financial assets as of the date of the statement of financial position reduced by amounts not available for general expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions:

	<u>2022</u>	<u>2021</u>
Cash	\$ 1,735,003	\$ 2,060,637
Accounts receivable, net	287,839	248,280
Pledges receivable, net	10	25,586
Investments	<u>12,522,324</u>	<u>13,242,735</u>
Financial assets at year-end	14,545,176	15,577,238
Less amounts not available for general expenditures within one year due to:		
Restricted by donor with purpose restrictions	<u>(4,707,378)</u>	<u>(4,198,848)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 9,837,798</u>	<u>\$ 11,378,390</u>

As part of ASA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. ASA invests cash in excess of daily requirements in short-term investments and money market funds.

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NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	2022	2021
Subject to expenditure for specified purpose:		
Annual Meeting International Travel Fund	\$ 2,500	\$ 7,500
American Sociological Fund	821,463	975,225
Annual Meeting Travel Fund	171,571	201,685
Boguslaw	3,856	4,490
Clifford Clogg	5,490	6,392
Communities	1,108	-
Congressional Fellow	428	428
D.L. Stevenson	16,402	19,680
Donald W. Light Award	13,300	10,293
Doris Entwistle	11,486	13,373
Graduate Student Investigator Award	50,812	55,521
Howard B. Kaplan	9,391	10,934
Howery TEF	58,318	72,685
Jim Short	500	500
L. Johnson	29,959	34,881
L. Pearlin	29,638	34,508
Lewis A. Coser	64,874	75,468
M.P. Levine	19,651	26,400
Math Dissertation	239,673	290,524
Minority Fellowship Program	2,210,595	1,277,902
Pollner Prize	26,685	32,237
Leo Reeder	6,638	9,043
Albert Reiss	6,797	9,557
Roberta Simmons	5,945	7,744
Rose	201,357	266,473
Sections	459,067	491,473
Si Goode	3,235	3,235
SOE Web	9,776	9,776
Soft Currency Fund	19,589	21,038
Sorokin	79,539	94,468
Spivack	104,735	112,415
Subject to spending policy and appropriation:		
Roberta Simmons	5,000	5,000
Leo Reeder	8,000	8,000
Albert Reiss	10,000	10,000
Net assets with donor restrictions	\$ 4,707,378	\$ 4,198,848

NOTE 12 – COMMITMENTS

ASA has entered into several contracts for hotel rooms for annual meetings to be held through 2026. In the event of cancellation, ASA is required to pay various costs stipulated by the contracts; the amounts of each are dependent on the date of cancellation. If cancellations occur, ASA could be liable for up to approximately \$3,700,000.