



FINANCIAL STATEMENTS

December 31, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of American Sociological Association, which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related statement of functional expenses for the year ended December 31, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Sociological Association as of December 31, 2018 and 2017, 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.

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Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, American Sociological Association adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended December 31, 2018. The requirements of the update have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
April 23, 2019

AMERICAN SOCIOLOGICAL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2018 and 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,894,159	\$ 1,112,155
Accounts receivable - net	246,065	316,546
Pledges receivable, current portion	59,796	59,900
Investments	223,087	231,909
Prepaid expenses and other assets	115,905	120,623
Total current assets	2,539,012	1,841,133
Fixed assets - net	7,361,933	7,738,513
OTHER ASSETS		
Deposits	12,129	9,122
Deferred rent asset	86,459	-
Pledges receivable, long-term - net	126,034	123,500
Investments, long-term	8,103,096	8,925,336
Total other assets	8,327,718	9,057,958
Total assets	\$ 18,228,663	\$ 18,637,604
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 192,056	\$ 178,863
Accrued expenses	278,876	212,106
Current portion of notes payable	265,000	255,000
Current portion of deferred revenue	1,089,251	866,082
Total current liabilities	1,825,183	1,512,051
LONG-TERM LIABILITIES		
Notes payable, net of unamortized loan acquisition costs	5,822,089	6,058,684
Interest rate swap obligation	1,074,064	1,315,305
Deferred revenue, net of current portion	301,316	75,662
Security deposit	23,285	-
Total long-term liabilities	7,220,754	7,449,651
Total liabilities	9,045,937	8,961,702
NET ASSETS		
Without donor restrictions	6,373,481	6,638,563
With donor restrictions	2,809,245	3,037,339
Total net assets	9,182,726	9,675,902
Total liabilities and net assets	\$ 18,228,663	\$ 18,637,604

See accompanying notes.

AMERICAN SOCIOLOGICAL ASSOCIATION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
PROGRAM SERVICE REVENUE			
Administration	\$ 125,613	\$ -	\$ 125,613
Membership	1,980,833	-	1,980,833
Annual meeting	1,360,704	-	1,360,704
Publications	2,826,878	65,822	2,892,700
Academic and professional resources	353,942	422,362	776,304
Public engagement	-	3,862	3,862
Net investment return	(618,529)	(212,533)	(831,062)
Net assets released from restrictions	507,607	(507,607)	-
Total program service revenue	6,537,048	(228,094)	6,308,954
EXPENSES			
PROGRAM SERVICES			
Membership	673,035	-	673,035
Annual Meeting	1,554,268	-	1,554,268
Publications	1,435,069	-	1,435,069
Academic and Professional Resources	1,364,455	-	1,364,455
Public Engagement	779,554	-	779,554
Total program services	5,806,381	-	5,806,381
SUPPORTING ACTIVITIES			
Administration	917,097	-	917,097
Governance	319,893	-	319,893
Total supporting activities	1,236,990	-	1,236,990
Total expenses	7,043,371	-	7,043,371
Change in net assets before other changes in net assets	(506,323)	(228,094)	(734,417)
OTHER CHANGES IN NET ASSETS			
Change in fair value of interest rate swap obligation	241,241	-	241,241
Change in net assets	(265,082)	(228,094)	(493,176)
Net assets - beginning of year	6,638,563	3,037,339	9,675,902
Net assets - end of year	\$ 6,373,481	\$ 2,809,245	\$ 9,182,726

See accompanying notes.

AMERICAN SOCIOLOGICAL ASSOCIATION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
PROGRAM SERVICE REVENUE			
Administration	\$ 79,542	\$ -	\$ 79,542
Membership	1,964,079	-	1,964,079
Annual meeting	1,301,171	-	1,301,171
Publications	2,813,727	65,757	2,879,484
Academic and professional resources	339,082	989,727	1,328,809
Public engagement	-	3,672	3,672
Net investment return	871,646	201,979	1,073,625
Net assets released from restrictions	684,389	(684,389)	-
Total program service revenue	8,053,636	576,746	8,630,382
EXPENSES			
PROGRAM SERVICES			
Membership	577,700	-	577,700
Annual Meeting	1,409,269	-	1,409,269
Publications	1,274,916	-	1,274,916
Academic and Professional Resources	1,794,421	-	1,794,421
Public Engagement	773,645	-	773,645
Total program services	5,829,951	-	5,829,951
SUPPORTING ACTIVITIES			
Administration	884,442	-	884,442
Governance	430,196	-	430,196
Total supporting activities	1,314,638	-	1,314,638
Total expenses	7,144,589	-	7,144,589
Change in net assets before other changes in net assets	909,047	576,746	1,485,793
OTHER CHANGES IN NET ASSETS			
Change in fair value of interest rate swap obligation	135,622	-	135,622
Change in net assets	1,044,669	576,746	1,621,415
Net assets - beginning of year	5,593,894	2,460,593	8,054,487
Net assets - end of year	\$ 6,638,563	\$ 3,037,339	\$ 9,675,902

See accompanying notes.

AMERICAN SOCIOLOGICAL ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2018

	Program Services					Supporting Activities			
	Membership	Annual Meeting	Publications	Academic and Professional Resources	Public Engagement	Total Program Services	Administration	Governance	Total
Grants and scholarships	\$ -	\$ 16,200	\$ -	\$ 160,638	\$ 9,000	\$ 185,838	\$ -	\$ -	\$ 185,838
Salaries and wages	361,839	309,826	303,899	559,347	439,348	1,974,259	544,585	157,124	2,675,968
Professional fees	8,377	151,946	792,266	57,138	15,286	1,025,013	47,835	28,671	1,101,519
Conferences and conventions	-	769,587	70,071	123,531	390	963,579	-	42,622	1,006,201
Occupancy	53,330	45,664	44,791	82,440	64,754	290,979	78,901	23,158	393,038
Depreciation	52,442	44,903	44,044	81,067	63,675	286,131	77,586	22,772	386,489
Interest	40,994	35,102	34,430	63,371	49,776	223,673	60,651	17,801	302,125
Information technology	56,976	65,814	24,837	39,667	25,506	212,800	41,721	16,316	270,837
Office expenses	42,943	39,786	43,866	25,553	13,366	165,514	29,142	4,780	199,436
Section allocation and dues	-	-	-	135,717	-	135,717	-	-	135,717
Memberships and subscriptions	-	-	56,210	1,235	69,073	126,518	-	-	126,518
Business fees	44,436	44,436	9,875	-	-	98,747	21,340	-	120,087
Insurance	5,062	7,835	4,252	7,826	6,147	31,122	7,490	2,198	40,810
Bond costs amortization	3,854	3,300	3,237	5,958	4,680	21,029	5,702	1,674	28,405
Travel	-	11,309	-	13,273	-	24,582	-	-	24,582
Advertising and promotion	-	-	-	-	1,888	1,888	-	-	1,888
Miscellaneous	2,782	8,560	3,291	7,694	16,665	38,992	2,144	2,777	43,913
Total expenses	\$ 673,035	\$ 1,554,268	\$ 1,435,069	\$ 1,364,455	\$ 779,554	\$ 5,806,381	\$ 917,097	\$ 319,893	\$ 7,043,371

See accompanying notes.

AMERICAN SOCIOLOGICAL ASSOCIATION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (493,176)	\$ 1,621,415
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	386,489	380,901
Establishment of allowance for uncollectible pledges receivable	-	16,000
Net realized and unrealized (gains) losses on investments	1,099,728	(825,514)
Change in fair value of interest rate swap obligation	(241,241)	(135,622)
(Increase) decrease in assets		
Accounts receivable	70,481	8,745
Pledges receivable	(2,430)	(199,400)
Prepaid expenses and other assets	4,718	100,929
Deposits	(3,007)	2,173
Deferred rent asset	(86,459)	-
Increase (decrease) in liabilities		
Accounts payable	13,193	7,855
Accrued expenses	66,770	50,869
Deferred revenue	448,823	(32,556)
Security deposit	23,285	-
Deferred compensation liability	-	(311,411)
	1,287,174	684,384
Net cash flows from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends retained in investments	(268,666)	(247,850)
Proceeds from sales of investments	-	1,017,736
Purchases of investments	-	(619,605)
Proceeds from redemption of deferred compensation asset	-	311,411
Purchases of fixed assets	(9,909)	(112,782)
	(278,575)	348,910
Net cash flows from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(226,595)	(215,721)
	782,004	817,573
Net change in cash		
Cash - beginning of year	1,112,155	294,582
	\$ 1,894,159	\$ 1,112,155
Cash - end of year		
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 304,358	\$ 309,977

See accompanying notes.

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

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, journal royalties, and annual meeting registration. The Association accomplishes its mission by delivering the following program services to its members:

Membership

The Association provides support for the professional lives of sociologists including, among other things, teaching, research, and career development. Sections are communities of sociologists whose research focuses on specific topical areas.

Annual Meeting

The Association produces an annual meeting for over 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 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. The Association also publishes a few non-serial publications.

Academic and Professional Resources and Public Engagement

The Association engages in a wide range of activities designed to enhance the professional lives of its members and strengthen public engagement with the discipline of sociology.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Concentrations of Credit Risk

ASA maintains its cash balances at one financial institution located in Washington, D.C. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times throughout the year, cash balances may exceed the federally insured limits. ASA has not experienced any losses with respect to its cash deposits and believes it is not exposed to any significant credit risk with respect to these deposits.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. 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 December 31, 2018 and 2017, the allowance for doubtful accounts was \$120.

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are reported at their fair values in the statements of financial position. Investment return is reported in the statements of activities and consists of interest and dividends and realized and unrealized gains and losses.

Pledges Receivable

Unconditional pledges are recognized as revenues or support 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.

Fixed Assets

Purchases of fixed assets in excess of \$5,000 are capitalized at cost and depreciated using the straight-line method. Depreciation expense for 2018 and 2017 was \$386,489 and \$380,901.

Deferred Revenue

Income from membership dues and individual journal subscriptions is deferred and recognized over the periods to which the dues and fees relate. Annual meeting revenues are recognized in the year in which the annual meeting is held.

Contributions

Contributions are reported as increases in net assets without donor restrictions or increases with donor restrictions, depending on the existence and/or nature 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.

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 personnel, occupancy, depreciation, office expenses, information technology, insurance, and miscellaneous expenses, which are allocated on the basis of estimates of time and effort.

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.

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

ASA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Adoption of New Accounting Standard

ASA adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended December 31, 2018. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The changes required by the update have been applied retrospectively to all periods presented. A key change required by the update are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Date of Management's Review

Management has evaluated subsequent events through April 23, 2019, the date the financial statements were available to be issued.

NOTE 2 – PLEDGES RECEIVABLE

Pledges receivable at December 31, 2018 and 2017 consist of the following:

	2018	2017
Pledges receivable in less than one year	\$ 59,796	\$ 59,900
Pledges receivable in one to five years	142,034	139,500
Pledges receivable	201,830	199,400
Allowance for uncollectible pledges	(16,000)	(16,000)
Pledges receivable - net	\$ 185,830	\$ 183,400

NOTE 3 – INVESTMENTS

Investments consist of the following:

	2018	2017
Money market	\$ 18,766	\$ 13,715
Bonds	7,379	27,262
Equities	124,210	9,328
Mutual funds	8,175,828	9,106,940
Investments	\$ 8,326,183	\$ 9,157,245

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 4 – FIXED ASSETS

Fixed assets consist of the following:

	2018	2017
Buildings and improvements	\$ 9,951,023	\$ 9,951,023
Equipment	1,020,106	1,044,709
Furniture and fixtures	434,643	434,643
Fixed assets	11,405,772	11,430,375
Accumulated depreciation	(4,043,839)	(3,691,862)
Fixed assets - net	\$ 7,361,933	\$ 7,738,513

NOTE 5 – NOTES PAYABLE

In 2014, ASA refinanced its variable rate DC 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:

	2018	2017
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.	\$ 6,185,000	\$ 6,390,000
Note requiring monthly principal payments with interest. Matures December 1, 2019 and is secured by standard business security agreement.	50,000	100,000
Notes payable	6,235,000	6,490,000
Current portion of notes payable	(265,000)	(255,000)
Unamortized loan acquisition costs	(147,911)	(176,316)
Notes payable net of current portion	\$ 5,822,089	\$ 6,058,684

Future maturities of notes payable are as follows:

2019	\$ 265,000
2020	225,000
2021	230,000
2022	245,000
2023	255,000
Thereafter	5,015,000
Total	\$ 6,235,000

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 6 – INTEREST RATE SWAP

To hedge against interest rate risk on the variable rate loan, ASA entered into 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. At December 31, 2018 and 2017, the fair value of the interest rate swap obligation was \$1,074,064 and \$1,315,305. During 2018 and 2017, unrealized gains due to changes in the interest rate swap's fair value were \$241,241 and \$135,622.

NOTE 7 – 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 to 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.

Spending Policy: The Association 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.

Endowment by net asset composition and changes in endowment net assets are as follows:

	With Donor Restrictions	
	2018	2017
Endowment net assets at beginning of year	\$ 37,074	\$ 37,271
Investment return, net	(3,416)	(197)
Endowment net assets at end of year	\$ 33,658	\$ 37,074

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2018	2017
Subject to expenditure for specified purpose:		
Annual Meeting International Travel Fund	\$ 10,000	\$ 10,000
American Sociological Fund	684,077	759,354
Annual Meeting Travel Fund	155,220	134,700
Boguslaw	3,062	3,373
Clifford Clogg	4,360	4,802
Congressional Fellow	428	428
D.L. Stevenson	15,174	16,714
Donald W. Light Award	6,975	9,052
Doris Entwistle	12,274	13,519
Fund for the Advancement of the Discipline	3,057	6,442
Graduate Student Investigator Award	38,244	42,124
Howard B. Kaplan	7,458	8,226
Howery TEF	58,076	63,516
Jim Short	500	500
L. Johnson	23,791	26,205
L. Pearlin	28,268	33,294
Lewis A. Coser	51,049	56,010
M.P. Levine	26,073	32,168
Math Dissertation	203,758	213,131
Minority Fellowship Program	656,327	649,520
Pollner Prize	21,988	25,262
Reeder	3,624	4,804
Reiss	3,339	4,692
Roberta Simmons	3,695	4,578
Rose	246,230	300,582
Sections	311,066	357,057
Si Goode	3,235	3,235
SOE Web	9,776	9,776
Soft Currency Fund	23,943	24,528
Sorokin	64,778	71,352
Spivack	106,400	125,395
	2,786,245	3,014,339
Subject to spending policy and appropriation:		
Roberta Simmons	5,000	5,000
Leo Reeder	8,000	8,000
Albert Reiss	10,000	10,000
	23,000	23,000
Total net assets with donor restrictions	\$ 2,809,245	\$ 3,037,339

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 9 – FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value on a recurring basis are as follows:

As of December 31, 2018			
Assets	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Bonds	\$ 7,379	\$ -	\$ 7,379
Equities	124,210	124,210	-
Mutual funds	8,175,828	8,175,828	-
	<u>\$ 8,307,417</u>	<u>\$ 8,300,038</u>	<u>\$ 7,379</u>
Liabilities			
Interest rate swap obligation	<u>\$ 1,074,064</u>	<u>\$ -</u>	<u>\$ 1,074,064</u>
As of December 31, 2017			
Assets	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Bonds	\$ 27,262	\$ -	\$ 27,262
Equities	9,328	9,328	-
Mutual funds	9,106,940	9,106,940	-
	<u>\$ 9,143,530</u>	<u>\$ 9,116,268</u>	<u>\$ 27,262</u>
Liabilities			
Interest rate swap obligation	<u>\$ 1,315,305</u>	<u>\$ -</u>	<u>\$ 1,315,305</u>

Fair values for mutual funds and equities are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for bonds are determined based on recent prices of similar assets. 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.

AMERICAN SOCIOLOGICAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

NOTE 10 – LESSOR ARRANGEMENT

In February 2018, ASA signed an agreement to sublease a portion of its office space. Rent payments are due monthly 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:

2019	\$	96,340
2020		99,953
2021		103,701
2022		107,590
2023		111,625
Thereafter		<u>185,748</u>
 Total	 \$	 <u><u>704,957</u></u>

NOTE 11 – 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 use within one year of the date of the statement of financial position because of contractual or donor-imposed restrictions.

Cash	\$	1,894,159
Accounts receivable		246,065
Pledges receivable		201,830
Investments		<u>8,326,183</u>
 Financial assets, at year-end		 10,668,237
 Less amounts not available for general expenditures within one year:		
Pledges to be collected in more than one year		(142,034)
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions		<u>(2,809,245)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 \$	 <u><u>7,716,958</u></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. The Association invests cash in excess of daily requirements in short-term investments and money market funds.

NOTE 12 – 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 \$169,587 and \$154,522 in 2018 and 2017.

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NOTE 13 – 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.