



FINANCIAL STATEMENTS

December 31, 2020 and 2019

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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, 2020 and 2019, the related statements of activities, functional expenses, and cash flows for the years then ended, 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, 2020 and 2019, 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.



Wegner CPAs, LLP  
Alexandria, Virginia  
April 23, 2021

**AMERICAN SOCIOLOGICAL ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 2,276,141	\$ 1,729,397
Accounts receivable, net	326,765	246,251
Pledges receivable, current portion	74,839	68,748
Investments	295,182	265,587
Prepaid expenses and other assets	116,552	112,257
Total current assets	3,089,479	2,422,240
Fixed assets, net	6,834,852	7,042,936
<b>OTHER ASSETS</b>		
Deposits	5,399	7,847
Deferred rent asset	62,385	74,643
Pledges receivable, long-term, net	3,746	61,890
Investments, long-term	10,414,305	9,601,535
Total other assets	10,485,835	9,745,915
<b>Total assets</b>	<b>\$ 20,410,166</b>	<b>\$ 19,211,091</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 175,143	\$ 201,353
Accrued expenses	201,689	202,911
Current portion of notes payable	230,000	225,000
Current portion of deferred revenue	927,952	774,088
Total current liabilities	1,534,784	1,403,352
<b>LONG-TERM LIABILITIES</b>		
Notes payable, net of current portion	5,815,203	5,624,577
Interest rate swap obligation	1,646,598	1,349,697
Deferred revenue, net of current portion	251,702	270,255
Security deposit	23,285	23,285
Total long-term liabilities	7,736,788	7,267,814
Total liabilities	9,271,572	8,671,166
<b>NET ASSETS</b>		
Without donor restrictions	7,704,261	7,429,745
With donor restrictions	3,434,333	3,110,180
Total net assets	11,138,594	10,539,925
<b>Total liabilities and net assets</b>	<b>\$ 20,410,166</b>	<b>\$ 19,211,091</b>

See accompanying notes.

**AMERICAN SOCIOLOGICAL ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Administration	\$ 166,058	\$ -	\$ 166,058
Membership	1,745,962	-	1,745,962
Annual meeting	339,362	-	339,362
Publications	2,794,136	69,150	2,863,286
Academic and professional resources	217,989	311,779	529,768
Public engagement	-	3,238	3,238
Net investment return	593,746	222,671	816,417
Net assets released from restrictions	282,685	(282,685)	-
<b>Total revenue</b>	<b>6,139,938</b>	<b>324,153</b>	<b>6,464,091</b>
<b>EXPENSES</b>			
Program services			
Membership	569,613	-	569,613
Annual Meeting	581,024	-	581,024
Publications	1,366,927	-	1,366,927
Academic and Professional Resources	1,528,448	-	1,528,448
Public Engagement	600,849	-	600,849
<b>Total program services</b>	<b>4,646,861</b>	<b>-</b>	<b>4,646,861</b>
Supporting activities			
Administration	679,046	-	679,046
Governance	242,614	-	242,614
<b>Total supporting activities</b>	<b>921,660</b>	<b>-</b>	<b>921,660</b>
<b>Total expenses</b>	<b>5,568,521</b>	<b>-</b>	<b>5,568,521</b>
Change in net assets before other changes in net assets	571,417	324,153	895,570
<b>OTHER CHANGES IN NET ASSETS</b>			
Change in fair value of interest rate swap obligation	(296,901)	-	(296,901)
<b>Change in net assets</b>	<b>274,516</b>	<b>324,153</b>	<b>598,669</b>
Net assets at beginning of year	7,429,745	3,110,180	10,539,925
<b>Net assets at end of year</b>	<b>\$ 7,704,261</b>	<b>\$ 3,434,333</b>	<b>\$ 11,138,594</b>

See accompanying notes.

**AMERICAN SOCIOLOGICAL ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Administration	\$ 121,532	\$ -	\$ 121,532
Membership	1,969,910	-	1,969,910
Annual meeting	1,336,118	-	1,336,118
Publications	2,888,420	69,391	2,957,811
Academic and professional resources	329,723	205,142	534,865
Public engagement	-	2,025	2,025
Net investment return	1,125,748	415,641	1,541,389
Net assets released from restrictions	391,264	(391,264)	-
<b>Total revenue</b>	<b>8,162,715</b>	<b>300,935</b>	<b>8,463,650</b>
<b>EXPENSES</b>			
Program services			
Membership	478,714	-	478,714
Annual Meeting	1,628,008	-	1,628,008
Publications	1,420,217	-	1,420,217
Academic and Professional Resources	1,496,813	-	1,496,813
Public Engagement	706,433	-	706,433
<b>Total program services</b>	<b>5,730,185</b>	<b>-</b>	<b>5,730,185</b>
Supporting activities			
Administration	760,707	-	760,707
Governance	339,926	-	339,926
<b>Total supporting activities</b>	<b>1,100,633</b>	<b>-</b>	<b>1,100,633</b>
<b>Total expenses</b>	<b>6,830,818</b>	<b>-</b>	<b>6,830,818</b>
Change in net assets before other changes in net assets	1,331,897	300,935	1,632,832
<b>OTHER CHANGES IN NET ASSETS</b>			
Change in fair value of interest rate swap obligation	(275,633)	-	(275,633)
<b>Change in net assets</b>	<b>1,056,264</b>	<b>300,935</b>	<b>1,357,199</b>
Net assets at beginning of year	6,373,481	2,809,245	9,182,726
<b>Net assets at end of year</b>	<b>\$ 7,429,745</b>	<b>\$ 3,110,180</b>	<b>\$ 10,539,925</b>

See accompanying notes.

**AMERICAN SOCIOLOGICAL ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2020

	Program Services					Supporting Activities			Total Expenses
	Membership	Annual Meeting	Publications	Academic and Professional Resources	Public Engagement	Total Program Services	Administration	Governance	
Grants and scholarships	\$ -	\$ -	\$ -	\$ 176,237	\$ 8,133	\$ 184,370	\$ -	\$ -	\$ 184,370
Salaries and wages	309,308	294,287	358,260	719,411	322,709	2,003,975	402,559	121,522	2,528,056
Professional fees	35,158	12,819	759,230	64,952	28,308	900,467	48,332	31,301	980,100
Conferences and conventions	-	52,841	2,035	752	-	55,628	-	23,237	78,865
Occupancy	45,672	43,454	52,900	102,635	47,650	292,311	59,441	17,944	369,696
Depreciation	35,602	33,873	41,236	80,006	37,144	227,861	46,335	13,987	288,183
Interest	34,994	33,295	40,533	78,641	36,511	223,974	45,545	13,749	283,268
Information technology	54,644	60,525	26,998	47,089	17,496	206,752	29,400	14,163	250,315
Office expenses	9,866	11,744	17,210	98,124	6,992	143,936	12,482	2,633	159,051
Section allocation and dues	-	-	-	135,395	-	135,395	-	-	135,395
Memberships and subscriptions	-	-	51,412	-	69,801	121,213	-	-	121,213
Business fees	24,282	24,282	5,396	-	-	53,960	23,984	-	77,944
Insurance	4,970	8,722	5,756	11,168	5,185	35,801	6,468	1,953	44,222
Bond costs amortization	3,277	3,118	3,796	7,364	3,419	20,974	4,265	1,287	26,526
Travel	-	447	-	5,280	-	5,727	-	-	5,727
Advertising and promotion	-	-	-	-	173	173	-	-	173
Miscellaneous	11,840	1,617	2,165	1,394	17,328	34,344	235	838	35,417
<b>Total expenses</b>	<b>\$ 569,613</b>	<b>\$ 581,024</b>	<b>\$ 1,366,927</b>	<b>\$ 1,528,448</b>	<b>\$ 600,849</b>	<b>\$ 4,646,861</b>	<b>\$ 679,046</b>	<b>\$ 242,614</b>	<b>\$ 5,568,521</b>

See accompanying notes.

**AMERICAN SOCIOLOGICAL ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2019

	Program Services					Supporting Activities		Total Expenses	
	Membership	Annual Meeting	Publications	Academic and Professional Resources	Public Engagement	Total Program Services	Administration		Governance
Grants and scholarships	\$ -	\$ -	\$ -	\$ 171,720	\$ 8,889	\$ 180,609	\$ -	\$ -	\$ 180,609
Salaries and wages	245,836	302,090	348,636	699,198	388,334	1,984,094	457,832	166,955	2,608,881
Professional fees	16,028	11,822	758,110	75,791	36,132	897,883	44,581	31,551	974,015
Conferences and conventions	-	1,023,789	13,966	29,677	-	1,067,432	-	52,475	1,119,907
Occupancy	34,775	42,732	49,316	98,906	54,929	280,658	64,762	23,617	369,037
Depreciation	30,896	37,966	43,816	87,875	48,807	249,360	57,540	20,983	327,883
Interest	27,750	34,099	39,354	78,924	43,835	223,962	51,679	18,846	294,487
Information technology	48,803	65,772	27,706	48,714	23,271	214,266	36,661	16,819	267,746
Office expenses	10,959	32,795	63,056	23,209	8,633	138,652	17,485	3,711	159,848
Section allocation and dues	-	-	-	135,697	-	135,697	-	-	135,697
Memberships and subscriptions	-	-	53,994	959	76,991	131,944	-	-	131,944
Business fees	42,235	42,234	9,386	-	-	93,855	17,556	-	111,411
Insurance	3,714	8,063	5,267	10,562	5,866	33,472	6,916	2,522	42,910
Bond costs amortization	2,590	3,183	3,673	7,367	4,092	20,905	4,824	1,759	27,488
Travel	-	19,310	-	15,842	-	35,152	-	-	35,152
Advertising and promotion	-	-	-	-	926	926	-	-	926
Miscellaneous	15,128	4,153	3,937	12,372	5,728	41,318	871	688	42,877
<b>Total expenses</b>	<b>\$ 478,714</b>	<b>\$ 1,628,008</b>	<b>\$ 1,420,217</b>	<b>\$ 1,496,813</b>	<b>\$ 706,433</b>	<b>\$ 5,730,185</b>	<b>\$ 760,707</b>	<b>\$ 339,926</b>	<b>\$ 6,830,818</b>

See accompanying notes.



**AMERICAN SOCIOLOGICAL ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2020 and 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 598,669	\$ 1,357,199
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	288,183	327,883
Net realized and unrealized gains on investments	(638,954)	(1,274,676)
Change in fair value of interest rate swap obligation	296,901	275,633
(Increase) decrease in assets		
Accounts receivable	(80,514)	(186)
Pledges receivable	52,053	55,192
Prepaid expenses and other assets	(4,295)	3,648
Deposits	2,448	4,282
Deferred rent asset	12,258	11,816
Increase (decrease) in liabilities		
Accounts payable	(26,210)	9,297
Accrued expenses	(1,222)	(75,965)
Deferred revenue	135,311	(346,224)
Net cash flows from operating activities	634,628	347,899
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends retained in investments	(203,411)	(266,263)
Purchases of fixed assets	(80,099)	(8,886)
Net cash flows from investing activities	(283,510)	(275,149)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of notes payable	394,100	-
Principal payments on notes payable	(198,474)	(237,512)
Net cash flows from financing activities	195,626	(237,512)
<b>Net change in cash</b>	546,744	(164,762)
Cash at beginning of year	1,729,397	1,894,159
<b>Cash at end of year</b>	\$ 2,276,141	\$ 1,729,397
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for interest	\$ 280,529	\$ 294,712

See accompanying notes.

**AMERICAN SOCIOLOGICAL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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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, 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.

**Concentrations 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 December 31, 2020 and 2019, ASA's uninsured cash balances totaled approximately \$1,980,000 and \$1,446,000. ASA historically has not experienced any losses and believes it is not exposed to any significant credit risk with respect to these balances.

**AMERICAN SOCIOLOGICAL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**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 both December 31, 2020 and 2019, 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**

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.

**Fixed Assets**

All acquisitions of fixed assets in excess of \$5,000 are capitalized. Depreciation is computed using the straight-line method. Depreciation expense for the years ended December 31, 2020 and 2019 was \$288,183 and \$327,882, respectively.

**Deferred Revenue**

Income from membership dues and journal subscription fees 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 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.

**AMERICAN SOCIOLOGICAL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**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.

**Income Tax Status**

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

**Adoption of New Accounting Guidance**

In August 2018, the FASB issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurements (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, to streamline disclosure requirements while continuing to provide useful information for financial statement users. For non-public entities, ASU 2018-13 eliminates disclosures for policy of timing of transfers, valuation process for Level 3 fair value measurements and the changes in unrealized gains and losses included in Level 3 investments held at the end of the reporting period. The guidance also amends disclosure requirements for the Level 3 rollforward. All other changes implemented by the ASU are applicable to public companies only. ASA adopted the provisions of ASU 2018-13 as of January 1, 2020.

**Date of Management’s Review**

Management has evaluated subsequent events through April 23, 2021, the date the financial statements were available to be issued.

NOTE 2 – PLEDGES RECEIVABLE

Pledges receivable consist of the following:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 74,839	\$ 68,748
Receivable in one to five years	<u>16,746</u>	<u>74,890</u>
Total pledges receivable	91,585	143,638
Allowance for uncollectible pledges	<u>(13,000)</u>	<u>(13,000)</u>
Pledges receivable, net	<u><u>\$ 78,585</u></u>	<u><u>\$ 130,638</u></u>

**AMERICAN SOCIOLOGICAL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

**NOTE 3 – INVESTMENTS**

Investments consist of the following:

	2020	2019
Money market funds	\$ 91,013	\$ 36,968
Bonds	141,112	28,289
Equities	29,712	142,919
Mutual funds	10,447,650	9,658,946
Total investments	\$ 10,709,487	\$ 9,867,122

**NOTE 4 – FIXED ASSETS**

Fixed assets consist of the following:

	2020	2019
Buildings and improvements	\$ 9,951,023	\$ 9,951,023
Capital in process	7,500	-
Equipment	1,002,696	1,024,258
Furniture and fixtures	434,643	434,643
Fixed assets	11,395,862	11,409,924
Accumulated depreciation	(4,561,010)	(4,366,988)
Fixed assets, net	\$ 6,834,852	\$ 7,042,936

**NOTE 5 – 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, 2020 and 2019, the fair value of the interest rate swap obligation was \$1,646,598 and \$1,349,697 and are reported as a liability on the statements of financial position. In 2020 and 2019, the unrealized loss due to changes in the interest rate swap's fair value were \$296,901 and \$275,633.

**NOTE 6 – NOTES PAYABLE**

On April 11, 2020, ASA was awarded a \$394,100 loan under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loan accrues interest at 1% but payments are deferred until a determination of the amount of forgiveness is made. In December 2020, ASA applied for loan forgiveness. ASA received confirmation on January 15, 2021 that its application for loan forgiveness was approved in full. The loan will be written off and recognized as contribution revenue in 2021.

**AMERICAN SOCIOLOGICAL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

NOTE 6 – NOTES PAYABLE (continued)

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:

	<u>2020</u>	<u>2019</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.	\$ 5,745,000	\$ 5,970,000
SBA PPP Loan Forgiven	<u>394,100</u>	<u>-</u>
Notes payable	6,139,100	5,970,000
Current portion of notes payable	(230,000)	(225,000)
Unamortized loan acquisition costs	<u>(93,897)</u>	<u>(120,423)</u>
Notes payable, net of current portion	<u>\$ 5,815,203</u>	<u>\$ 5,624,577</u>

The future scheduled maturities of notes payable are as follows:

2021	\$ 230,000
2022	245,000
2023	255,000
2024	<u>5,015,000</u>
	<u>\$ 5,745,000</u>

NOTE 7 – LESSOR ARRANGEMENT

ASA subleases a portion of its office space under an operating lease that 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:

2021	\$ 103,701
2022	107,590
2023	111,625
2024	115,810
2025	<u>69,938</u>
	<u>\$ 508,664</u>

**AMERICAN SOCIOLOGICAL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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**NOTE 8 – 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 \$166,845 and \$173,874 in 2020 and 2019, respectively.

**NOTE 9 – 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	
	2020	2019
Endowment net assets at beginning of year	\$ 39,878	\$ 33,658
Investment return, net	3,267	6,220
Endowment net assets at end of year	\$ 43,145	\$ 39,878

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NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2020	2019
Subject to expenditure for specified purpose:		
Annual Meeting International Travel Fund	\$ 7,500	\$ 7,500
American Sociological Fund	852,068	789,216
Annual Meeting Travel Fund	177,572	164,872
Boguslaw	3,926	3,628
Clifford Clogg	5,589	5,166
Congressional Fellow	428	428
D.L. Stevenson	19,454	17,980
Donald W. Light Award	7,450	9,394
Doris Entwistle	15,735	14,543
Fund for the Advancement of the Discipline	6,479	5,050
Graduate Student Investigator Award	48,627	43,919
Howard B. Kaplan	9,561	8,837
Howery TEF	65,987	65,626
Jim Short	500	500
L. Johnson	30,500	28,190
L. Pearlin	30,761	29,471
Lewis A. Coser	65,839	60,173
M.P. Levine	26,517	27,406
Math Dissertation	265,328	242,789
Minority Fellowship Program	873,575	717,321
Pollner Prize	28,189	26,054
Leo Reeder	6,902	5,774
Albert Reiss	7,100	5,805
Roberta Simmons	6,143	5,299
Rose	251,575	261,250
Sections	369,207	311,081
Si Goode	3,235	3,235
SOE Web	9,776	9,776
Soft Currency Fund	22,288	23,128
Sorokin	83,048	76,757
Spivack	110,474	117,012
	<u>3,411,333</u>	<u>3,087,180</u>
Subject to spending policy and appropriation:		
Roberta Simmons	5,000	5,000
Leo Reeder	8,000	8,000
Albert Reiss	10,000	10,000
	<u>23,000</u>	<u>23,000</u>
Total net assets with donor restrictions	<u>\$ 3,434,333</u>	<u>\$ 3,110,180</u>



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NOTE 11 – FAIR VALUE MEASUREMENTS

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

As of December 31, 2020			
Assets	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Bonds	\$ 141,112	\$ -	\$ 141,112
Equities	29,712	29,712	-
Mutual funds	10,447,650	10,447,650	-
	<u>\$ 10,618,474</u>	<u>\$ 10,477,362</u>	<u>\$ 141,112</u>
Liabilities			
Interest rate swap obligation	<u>\$ 1,646,598</u>	<u>\$ -</u>	<u>\$ 1,646,598</u>
As of December 31, 2019			
Assets	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Bonds	\$ 28,289	\$ -	\$ 28,289
Equities	142,919	142,919	-
Mutual funds	9,658,946	9,658,946	-
	<u>\$ 9,830,154</u>	<u>\$ 9,801,865</u>	<u>\$ 28,289</u>
Liabilities			
Interest rate swap obligation	<u>\$ 1,349,697</u>	<u>\$ -</u>	<u>\$ 1,349,697</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.

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**NOTE 12 – 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 statement of financial position because of contractual or donor-imposed restrictions:

	2020	2019
Cash	\$ 2,276,141	\$ 1,729,397
Accounts receivable, net	326,765	246,251
Pledges receivable, net	78,585	130,638
Investments	10,709,487	9,867,122
Financial assets at year-end	13,390,978	11,973,408
Less amounts not available for general expenditures within one year due to:		
Pledges to be collected in more than one year	(16,746)	(74,890)
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	(3,434,333)	(3,110,180)
Financial assets available to meet cash needs for general expenditures within one year	\$ 9,939,899	\$ 8,788,338

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 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.

**NOTE 14 – RISKS AND UNCERTAINTIES**

ASA’s operations may be affected by the ongoing COVID-19 outbreak that was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption and effect on ASA is uncertain; however, it may result in a material adverse impact on ASA’s assets, revenues, and expenses. Possible effects may include, but are not limited to, disruption to ASA’s donors and revenues and limitations on providing ASA’s program services due to restrictions and regulations.