

American Historical Association

Financial Statements

(With Independent Auditors' Report)

For the years ended June 30, 2006 and 2005

AMERICAN HISTORICAL ASSOCIATION

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Financial Statements

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The Council of
American Historical Association
Washington, DC

Independent Auditors' Report

We have audited the accompanying statement of financial position of the American Historical Association as of June 30, 2006 and 2005 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Historical Association as of June 30, 2006 and 2005, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements of the American Historical Association taken as a whole. The accompanying supplemental statements of expenses by program, net assets by classification and general operations for the years ended June 30, 2006 and 2005 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information for the years ended June 30, 2006 and 2005 has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



September 5, 2006
Washington, DC

AMERICAN HISTORICAL ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2006 and 2005

<u>ASSETS</u>	<u>2006</u>	<u>As Restated 2005</u>	<u>LIABILITIES AND NET ASSETS</u>	<u>2006</u>	<u>As Restated 2005</u>
Current assets:			Current liabilities:		
Cash and equivalents	\$ 764,652	\$ 586,952	Accounts payable	\$ 218,673	\$ 421,191
Accounts receivable	69,449	102,198	Accrued expenses	152,243	95,763
Grants and pledges receivable	1,298	44,350	Deferred revenue:		
Interest and dividends receivable	13,848	12,656	Memberships	666,119	576,003
Inventory	149,115	55,943	Subscriptions	362,359	458,337
Prepaid expenses	20,075	77,535	Annual meeting	153,300	32,200
			Life memberships - current portion	11,937	10,897
Total current assets	1,018,437	879,634			
			Total current liabilities	1,564,631	1,594,391
Fixed assets:					
Land	8,000	8,000	Life memberships - long term	30,374	32,951
Building and improvements	540,123	515,175			
Furniture and equipment	496,541	456,522	Total liabilities	1,595,005	1,627,342
	1,044,664	979,697			
Less: accumulated depreciation	(564,886)	(502,300)	Net assets:		
			Unrestricted:		
Net fixed assets	479,778	477,397	Undesignated	89,562	(71,192)
			Designated	1,939,743	2,040,885
Other assets			Total unrestricted	2,029,305	1,969,693
Investments - long term	3,447,780	3,510,048	Temporarily restricted	800,565	748,924
Deposits	1,000	1,000	Permanently restricted	522,120	522,120
Total other assets	3,448,780	3,511,048	Total net assets	3,351,990	3,240,737
Total assets	<u>\$ 4,946,995</u>	<u>\$ 4,868,079</u>	Total liabilities and net assets	<u>\$ 4,946,995</u>	<u>\$ 4,868,079</u>

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2006 and 2005

	2006			As Restated 2005				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT								
Membership dues	\$ 1,109,735	\$ -	\$ -	\$ 1,109,735	\$ 1,043,293	\$ -	\$ -	\$ 1,043,293
Annual Conference	759,458	-	-	759,458	663,418	-	-	663,418
American Historical Review Publications	854,136	-	-	854,136	832,600	-	-	832,600
Grants and contributions	558,153	-	-	558,153	570,630	-	-	570,630
Interest and dividends	3,449	299,844	-	303,293	16,590	900,561	-	917,151
Realized gains and losses on investments	21,105	91,233	-	112,338	11,539	96,617	-	108,156
Unrealized losses on investments	14,676	56,144	-	70,820	76,758	627,432	-	704,190
Net assets released from restriction	(7,102)	(27,168)	-	(34,270)	(71,823)	(587,083)	-	(658,906)
	368,412	(368,412)	-	-	910,670	(910,670)	-	-
Total revenue and support	3,682,022	51,641	-	3,733,663	4,053,675	126,857	-	4,180,532
EXPENSES								
Programs:								
American Historical Review	762,277	-	-	762,277	768,216	-	-	768,216
Annual Meeting	524,741	-	-	524,741	437,620	-	-	437,620
Membership	302,253	-	-	302,253	275,496	-	-	275,496
Publications	744,228	-	-	744,228	759,280	-	-	759,280
Grants	346,532	-	-	346,532	824,240	-	-	824,240
Special Funds and Prizes	57,544	-	-	57,544	110,850	-	-	110,850
Total programs	2,737,575	-	-	2,737,575	3,175,702	-	-	3,175,702
Support services:								
General and Administrative	296,048	-	-	296,048	282,744	-	-	282,744
Council	588,787	-	-	588,787	568,053	-	-	568,053
Total support services	884,835	-	-	884,835	850,797	-	-	850,797
Total expenses	3,622,410	-	-	3,622,410	4,026,499	-	-	4,026,499
Change in net assets	59,612	51,641	-	111,253	27,176	126,857	-	154,033
Net assets, beginning of year	1,969,693	748,924	522,120	3,240,737	1,942,517	622,067	522,120	3,086,704
Net assets, end of year	\$ 2,029,305	\$ 800,565	\$ 522,120	\$ 3,351,990	\$ 1,969,693	\$ 748,924	\$ 522,120	\$ 3,240,737

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2006 and 2005

	2006	As Restated 2005
Cash flows from operating activities:		
Change in net assets:	\$ 111,253	\$ 154,033
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	62,587	62,960
Unrealized (gain) loss on investments	34,270	658,906
Accounts receivable	32,749	(32,641)
Grants and pledges receivable	43,052	88,235
Interest and dividends receivable	(1,192)	(9,788)
Inventory	(93,173)	(55,943)
Prepaid expenses	57,460	(1,536)
Accounts payable	(202,518)	155,534
Accrued expenses	56,480	5,590
Deferred revenue	113,701	57,145
Total adjustments	103,416	928,462
Net cash provided by operating activities	214,669	1,082,495
Cash flows from investing activities		
Purchase of investments	(3,978,852)	(10,414,127)
Sale of investments	4,006,850	9,147,278
Purchase of fixed assets	(64,967)	(123,242)
Net cash used by investing activities	(36,969)	(1,390,091)
Net increase (decrease) in cash	177,700	(307,596)
Cash and equivalents, beginning of year	586,952	894,548
Cash and equivalents, end of year	\$ 764,652	\$ 586,952
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ -	\$ 1,621
Cash paid for interest	\$ -	\$ -

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2006 and 2005

1. DESCRIPTION OF THE ORGANIZATION

The American Historical Association (the Association) is a District of Columbia non-stock corporation founded in 1884 and incorporated by Congress in 1889 for the promotion of historical studies, the collection and preservation of historical manuscripts, and the dissemination of historical research.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Cash and Equivalents

The Association considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Pledges Receivable

Pledges receivable represents amounts which have been promised but not yet received. Pledges beyond one year are discounted to reflect the present value of the pledge.

Investments

Investments are recorded at market value. Realized and unrealized gains and losses on investments are reported on the statement of activities as they occur.

Inventory

Inventory consists of publications and is stated at the lower of cost or market, based on the FIFO (first-in, first-out) method of accounting.

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2006 and 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets

Furniture and equipment are reported at cost. Assets and capital lease purchases are depreciated over a three to five year estimated life using the straight line method. Depreciation expense for the years ended June 30, 2006 and 2005 was \$62,587 and \$62,960, respectively.

Accounts Receivable

Accounts receivable is recorded net of an allowance for uncollectible receivables, based on management's evaluation of outstanding accounts receivable at year end. The allowance for uncollectible receivables was \$40,292 and \$29,066 for the years ended June 30, 2006 and 2005, respectively.

Deferred Revenue

The Association records income for membership dues, subscriptions, registration fees and publication advertising which have been paid in advance as deferred revenue.

Net Assets

Net assets are reported by the Association in accordance with Financial Accounting Standards Board (FASB) 116 and 117. Accordingly, net assets have been reported using the following categories.

Unrestricted

Unrestricted net assets represent resources over which the Council has discretionary control and are used to carry out operations of the Association in accordance with their bylaws.

The Council's designated fund, included as part of the unrestricted net assets, was established to accumulate a reserve for the Association.

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2006 and 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Temporarily Restricted

Temporarily restricted net assets represent contributions and grants, which have been restricted by donors for specific programs or activities. Restrictions, which have been met by the passage of time or expenditure of net assets, are reported as revenues released from restrictions on the statement of activities. For the years ended June 30, 2006 and 2005, the Association received \$299,844 and \$893,545 in temporarily restricted contributions and grants, respectively.

Permanently Restricted Funds

Permanently restricted net assets represent contributions which have been restricted by donors indefinitely. Investment income generated from the principal of the permanently restricted net assets is used to fulfill programs and the general operations of the Association. For the years ended June 30, 2006 and 2005 the Association did not receive any permanently restricted contributions.

Gifts and bequests of property

Gifts and bequests of property are recorded at the earlier of the date received or when the bequest is no longer subject to probate and its value can be reasonably estimated. Gifts and bequests are valued at their estimated fair market value on the date they are recorded.

Donated Services and Materials

Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. During 2006 and 2005, the Association did not receive any donated materials or services.

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2006 and 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Association is a nonprofit organization, which is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code. However, the Association is subject to unrelated business income tax for activities conducted outside its tax exempt purpose. The Association conducted unrelated business activities that resulted in net operating losses during 2006 and 2005, respectively, accordingly no provision for income taxes was recorded.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

3. INVESTMENTS

The value of investments was as follows:

	June 30, 2006		June 30, 2005	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
U.S. Treasury notes and bonds	\$ 1,265,291	\$ 1,230,164	\$ 1,147,212	\$ 1,151,439
Certificates of deposit	200,000	200,000	-	-
Corporate bonds	30,079	28,327	321,574	323,221
Corporate securities	<u>1,872,274</u>	<u>1,989,289</u>	<u>1,943,435</u>	<u>2,035,388</u>
Total	<u>\$ 3,367,644</u>	<u>\$ 3,447,780</u>	<u>\$ 3,412,221</u>	<u>\$ 3,510,048</u>

The market value of stocks is estimated based on quoted market prices for those investments. None of the investments are held for trading purposes.

AMERICAN HISTORICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2006 and 2005

4. RETIREMENT PLAN

The Association maintains a qualifying defined contribution retirement plan for qualifying full-time employees under Internal Revenue Code Section 403(b). The Association contributes up to a maximum of 10 percent of the employee's total annual compensation to the plan each year. The contributions are fully vested and nonforfeitable. For the years ended June 30, 2006 and 2005, contributions to the plan were \$72,168 and \$70,391, respectively. There were no contributions due to the plan at June 30, 2006 and 2005, respectively.

5. COMMITMENTS

During 2001, the Association entered into an agreement with three other collaborators for the purpose of producing electronic versions of journals published by the Association and one of the other signers. The terms of the agreement have expired, however the Association plans to contribute \$35,000 annually to the project.

The Association has entered into agreements for rental of space for the annual meeting. The Association is required to pay a portion of the anticipated room revenues in the event that the conference is canceled. Cancellation insurance has been obtained by the Association to offset any potential future losses. The Association anticipates that all minimum room rental requirements will be met.

6. CONCENTRATION OF RISK

The Association maintains cash balances in a financial institution which is insured by the Federal Deposit Insurance Corporation for amounts up to \$100,000. The Association is exposed to concentrations of credit risk at times when cash balances exceed the FDIC limit. The Association has not experienced any losses and believes they are not exposed to significant risk.

7. RESTATEMENT OF PRIOR YEAR

During 2006 the Association adopted a capitalization policy for publication inventory. Accordingly, an adjustment was made during the year ended June 30, 2005 to implement the newly adopted policy. The effect of the change increased inventory by \$55,943 and undesignated net assets by \$55,943.

SUPPLEMENTAL INFORMATION

AMERICAN HISTORICAL ASSOCIATION
SUPPLEMENTAL STATEMENT OF EXPENSES BY PROGRAM

For the year ended June 30, 2006

	Programs						Support Services		Total Support Services		Total
	American Historical Review	Annual Meeting	Membership	Publications	Grants	Special Funds and Prizes	Total Programs	General and Administrative	Council	Total	
Salaries and fringe benefits	\$ 35,420	\$ 94,230	\$ 171,875	\$ 348,262	\$ 31,914	\$ -	\$ 681,701	\$ 429,932	\$ 304,635	\$ 734,567	\$ 1,416,268
Bad debts	-	-	-	-	-	-	-	11,227	-	11,227	11,227
Bank fees and service charges	-	850	-	-	15	-	865	46,227	-	46,227	47,092
Communications	561	20,289	2,250	7,262	-	744	31,106	17,326	5,866	23,192	54,298
Contractors	384,288	16,944	2,391	16,600	105,008	-	525,231	13,659	-	13,659	538,890
Contributions and coalition	39,084	-	-	-	87,325	-	126,409	83,291	-	83,291	209,700
Depreciation	3,321	-	-	-	-	-	3,321	59,266	-	59,266	62,587
Dues and subscriptions	-	-	90	295	-	-	385	15,214	484	15,698	16,083
Equipment rental and maintenance	-	5,952	-	799	376	-	7,127	29,794	-	29,794	36,921
Insurance	-	4,225	-	-	-	-	4,225	10,388	-	10,388	14,613
Meetings and conferences	2,061	200,271	3,380	-	9,591	279	215,582	7,035	36,928	43,963	259,545
Miscellaneous	4,252	1,476	90	-	-	-	5,818	6,619	404	7,023	12,841
Office expense	-	4,309	-	758	-	-	5,067	14,823	3,407	18,230	23,297
Postage and delivery	72,840	30,753	1,242	69,112	-	175	174,122	75	1,601	1,676	175,798
Printing and duplicating	178,906	56,478	15,700	72,609	3,048	-	326,741	-	621	621	327,362
Prizes, grants and honorariums	-	15,161	-	1,500	84,963	54,559	156,183	-	-	-	156,183
Professional fees	-	-	-	15,756	3,331	1,787	20,874	62,662	8,889	71,551	92,425
Publicity and advertising	-	-	-	-	1,832	-	1,832	-	-	-	1,832
Repairs and maintenance	-	-	-	-	-	-	-	19,272	-	19,272	19,272
Storage	2,647	40	3,187	3,511	-	-	9,385	6,720	-	6,720	16,105
Supplies	5,873	108	129	1,324	240	-	7,674	14,725	15	14,740	22,414
Taxes, licenses and permits	-	-	-	-	-	-	-	8,567	-	8,567	8,567
Travel	12,036	17,826	-	-	-	-	29,862	10,160	45,354	55,514	85,376
Utilities	-	-	-	-	-	-	-	13,714	-	13,714	13,714
Total expense, before overhead allocation	741,289	468,912	200,334	537,788	327,643	57,544	2,333,510	880,696	408,204	1,288,900	3,622,410
Overhead allocation	20,988	55,829	101,919	206,440	18,889	-	404,065	(584,648)	180,583	(404,065)	-
Total expense	\$ 762,277	\$ 524,741	\$ 302,253	\$ 744,228	\$ 346,532	\$ 57,544	\$ 2,737,575	\$ 296,048	\$ 588,787	\$ 884,835	\$ 3,622,410

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF EXPENSES BY PROGRAM

For the year ended June 30, 2005, as restated

	Programs						Support Services		Total Support Services		Total
	American Historical Review	Annual Meeting	Membership	Publications	Grants	Special Funds and Prizes	Total Programs	General and Administrative	Council	Total Support Services	
Salaries and fringe benefits	\$ 42,656	\$ 58,984	\$ 157,325	\$ 349,525	\$ 72,423	\$ -	\$ 680,913	\$ 455,940	\$ 292,787	\$ 748,727	\$ 1,429,640
Bad debts	-	-	-	-	-	-	-	4,861	-	4,861	4,861
Bank fees and service charges	-	7,546	-	-	-	-	7,546	53,453	-	53,453	60,999
Committee travel	9,063	11,261	-	-	52,247	677	73,248	279	41,614	41,893	115,141
Communications	1,608	15,940	2,323	1,850	3,064	-	24,785	14,274	6,950	21,224	46,009
Contractors	360,061	19,204	6,013	23,002	304,167	-	712,447	34,308	1,392	35,700	748,147
Contributions and coalition	40,510	-	-	-	-	50,000	90,510	38,213	14,250	52,463	142,973
Depreciation	4,145	-	-	-	-	-	4,145	58,815	-	58,815	62,960
Dues and subscriptions	-	19	84	1,801	47	-	1,951	5,963	213	6,176	8,127
Equipment rental and maintenance	-	-	-	30	250	-	280	23,089	-	23,089	23,369
Insurance	-	5,174	-	-	-	-	5,174	8,622	-	8,622	13,796
Meetings and conferences	3,383	193,677	1,805	-	37,849	-	236,714	4,712	23,921	28,633	265,347
Miscellaneous	2,140	91	-	72	1,343	-	3,646	1,791	554	2,345	5,991
Office expense	487	855	-	-	1,800	-	3,142	15,407	-	15,407	18,549
Postage and delivery	84,955	36,593	2,791	67,368	1,715	-	193,422	1,319	4,052	5,371	198,793
Printing and duplicating	183,099	31,904	13,347	98,726	4,251	-	331,327	9,818	9,844	19,662	350,989
Prizes, grants and honorariums	-	1,500	-	12,000	244,188	60,173	317,861	500	100	600	318,461
Professional fees	-	-	-	4,625	54,338	-	58,963	23,465	1,616	25,081	84,044
Publicity and advertising	-	-	-	-	3,250	-	3,250	-	-	-	3,250
Repairs and maintenance	-	-	-	-	-	-	-	16,619	-	16,619	16,619
Storage	2,634	-	2,891	2,282	-	-	7,807	7,280	-	7,280	15,087
Supplies	6,675	378	802	2,127	221	-	10,203	15,111	991	16,102	26,305
Taxes, licenses and permits	-	45	-	16	-	-	61	10,341	-	10,341	10,402
Travel	2,929	21,366	-	-	2,474	-	26,769	11,322	5,714	17,036	43,805
Utilities	-	-	-	-	-	-	-	12,835	-	12,835	12,835
Total expense, before overhead allocation	744,345	404,537	187,381	563,424	783,627	110,850	2,794,164	828,337	403,998	1,232,335	4,026,499
Overhead allocation	23,871	33,083	88,115	195,856	40,613	-	381,538	(545,593)	164,055	(381,538)	-
Total expense	\$ 768,216	\$ 437,620	\$ 275,496	\$ 759,280	\$ 824,240	\$ 110,850	\$ 3,175,702	\$ 282,744	\$ 568,053	\$ 850,797	\$ 4,026,499

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2006

	Beginning of Year		Unrestricted		Total Unrestricted	Total	Income	Expense	Investment Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	End of Year		Unrestricted		Total Unrestricted	Total	
	Permanently Restricted	Temporarily Restricted	Designated	Undesignated								Designated	Undesignated					
Prize Funds																		
Herbert Baxter Adams Prize Fund	\$ 5,000	\$ 20,014	\$ -	\$ -	\$ -	\$ 25,014	\$ -	\$ (1,000)	\$ 1,184	\$ (234)	\$ -	\$ 5,000	\$ 19,964	\$ -	\$ -	\$ -	\$ 24,964	
Ancient History Prize Fund - James H. Breasted Fund	10,800	4,758	-	-	-	15,558	-	(1,000)	731	(145)	-	10,800	4,344	-	-	-	15,144	
George Louis Beer Prize Fund	5,000	59,855	-	-	-	64,855	-	(1,500)	3,084	(610)	-	5,000	60,829	-	-	-	65,829	
Beveridge Family Prize Fund	20,000	7,486	-	-	-	27,486	-	(1,500)	1,287	(255)	-	20,000	7,018	-	-	-	27,018	
Paul Birdsall Prize Fund	10,000	10,576	-	-	-	20,576	-	-	995	(197)	-	10,000	11,374	-	-	-	21,374	
Albert Corey Prize Fund	25,000	32,908	-	-	-	57,908	-	-	2,792	(552)	-	25,000	35,148	-	-	-	60,148	
Premio Del Rey Prize Fund	10,800	11,208	-	-	-	22,008	-	-	1,067	(211)	-	10,800	12,064	-	-	-	22,864	
John H. Dunning Prize Fund	2,000	23,733	-	-	-	25,733	-	(1,000)	1,213	(240)	-	2,000	23,706	-	-	-	25,706	
John K. Fairbank Prize Fund	7,990	40,975	-	-	-	48,965	-	(1,500)	2,324	(460)	-	7,990	41,339	-	-	-	49,329	
Morris D. Forkosch Prize Fund	16,000	20,035	-	-	-	36,035	-	(1,500)	1,696	(335)	-	16,000	19,896	-	-	-	35,896	
Leo Gershoy Prize Fund	10,000	39,490	-	-	-	49,490	-	(1,500)	2,353	(466)	-	10,000	39,877	-	-	-	49,877	
William Gilbert Prize Fund	10,000	9,356	-	-	-	19,356	-	(1,000)	907	(179)	-	10,000	9,084	-	-	-	19,084	
Clarence H. Haring Prize Fund	3,000	22,443	-	-	-	25,443	-	-	1,228	(243)	-	3,000	23,428	-	-	-	26,428	
Joan Kelly Prize Fund	18,692	18,416	-	-	-	37,108	-	(1,500)	1,755	(347)	-	18,692	18,324	-	-	-	37,016	
Michael Kraus Prize Fund	15,000	34,605	-	-	-	49,605	-	-	2,397	(474)	-	15,000	36,528	-	-	-	51,528	
J. Russell Major Prize Fund	50,475	(9,188)	-	-	-	41,287	-	(1,500)	1,959	(388)	-	50,475	(9,117)	-	-	-	41,358	
Howard R. Marraro Prize Fund	10,000	14,485	-	-	-	24,485	-	(1,000)	1,155	(228)	-	10,000	14,412	-	-	-	24,412	
George L. Mosse Prize Fund	27,088	(6,183)	-	-	-	20,905	-	(1,000)	980	(194)	-	27,088	(6,397)	-	-	-	20,691	
James A. Rawley Award	35,275	(4,156)	-	-	-	31,119	-	(1,500)	1,462	(289)	-	35,275	(4,483)	-	-	-	30,792	
Nancy Roelker Award	18,000	10,177	-	-	-	28,177	-	(1,000)	1,331	(263)	-	18,000	10,245	-	-	-	28,245	
Andrew D. White Prize Fund	-	11,837	-	-	-	11,837	-	-	571	(113)	-	-	12,295	-	-	-	12,295	
Wesley-Logan Prize Fund	-	12,142	-	-	-	12,142	-	(1,000)	556	(110)	-	-	11,588	-	-	-	11,588	
Herbert Feis Prize Fund	-	14,162	-	-	-	14,162	-	(1,000)	657	(130)	-	-	13,689	-	-	-	13,689	
John E. Fagg Prize Fund	-	4,948	-	-	-	4,948	-	(1,000)	219	(43)	-	-	4,124	-	-	-	4,124	
Total prize funds	310,120	404,082	-	-	-	714,202	-	(22,000)	33,903	(6,706)	-	310,120	409,279	-	-	-	719,399	
Grant Programs																		
Carnegie Foundation - Study of Graduate Training in History	-	-	-	-	-	-	-	(3,727)	-	-	3,727	-	-	-	-	-	-	
National Endowment for the Humanities - Rethinking America	-	-	-	-	-	-	13,795	(13,795)	-	-	-	-	-	-	-	-	-	
American Council on Education - Internationalizing the Disciplines	-	3,663	-	-	-	3,663	4,179	(5,290)	108	-	-	-	2,660	-	-	-	2,660	
Council of Graduate Schools Grant - Preparing Future Faculty	-	7,504	-	-	-	7,504	-	(7,200)	141	-	-	-	445	-	-	-	445	
Ford Foundation Grant - Seascapes	-	-	-	-	-	-	-	(5,628)	-	-	5,628	-	-	-	-	-	-	
Mellon Foundation Grant - E Book Prize Program	-	150,596	-	-	-	150,596	236,322	(138,329)	2,456	-	-	-	251,045	-	-	-	251,045	
National Aeronautics and Space Administration Fellowship Program	-	-	-	-	-	-	31,700	(30,000)	32	-	-	-	1,732	-	-	-	1,732	
Oxford University Press - Guide Historical Literature	-	88,184	-	-	-	88,184	-	-	3,147	-	-	-	91,331	-	-	-	91,331	
CASTL Program	-	2,751	-	-	-	2,751	-	(3,120)	54	-	369	-	54	-	-	-	54	
Carnegie Mellon NHEN	-	48,125	-	-	-	48,125	-	-	844	-	(48,969)	-	-	-	-	-	-	
Total grant programs	-	300,823	-	-	-	300,823	285,996	(207,089)	6,782	-	(39,245)	-	347,267	-	-	-	347,267	

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2006

	Beginning of Year						Investment					End of Year					
	Permanently Restricted	Temporarily Restricted	Unrestricted		Total Unrestricted	Total	Income	Expense	Investment Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	Permanently Restricted	Temporarily Restricted	Unrestricted		Total Unrestricted	Total
			Designated	Undesignated										Designated	Undesignated		
Special Funds																	
Albert J. Beveridge Memorial Fund	100,000	-	173,880	-	173,880	273,880	-	(1,500)	12,894	(2,551)	(11,120)	100,000	-	171,603	-	171,603	271,603
Littleton-Griswold Fund	25,000	-	135,796	-	135,796	160,796	-	(4,800)	7,484	(1,481)	(6,447)	25,000	-	130,552	-	130,552	155,552
David M. Matteson Fund	87,000	44,019	171,059	-	171,059	302,078	-	-	14,267	(2,823)	(12,299)	87,000	44,019	170,204	-	170,204	301,223
National History Center	-	-	68,705	-	68,705	68,705	-	(139,257)	1,623	(321)	69,250	-	-	-	-	-	-
Endowment Fund	-	-	527,680	-	527,680	527,680	13,848	(14,985)	23,828	(4,714)	(65,567)	-	-	480,090	-	480,090	480,090
Bernadotte Schmitt Endowment Fund	-	-	461,027	-	461,027	461,027	-	(14,259)	21,884	(4,329)	-	-	-	464,323	-	464,323	464,323
J. Franklin Jameson Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total special funds	212,000	44,019	1,538,147	-	1,538,147	1,794,166	13,848	(174,801)	81,980	(16,219)	(26,183)	212,000	44,019	1,416,772	-	1,416,772	1,672,791
General Funds																	
Working Capital Fund	-	-	100,000	-	100,000	100,000	-	-	4,824	(954)	-	-	-	103,870	-	103,870	103,870
Property, Plant and Equipment Fund	-	-	402,738	-	402,738	402,738	-	-	21,399	(5,036)	-	-	-	419,101	-	419,101	419,101
Undesignated Fund	-	-	-	(71,192)	(71,192)	(71,192)	3,284,925	(3,189,599)	-	-	65,428	-	-	-	89,562	89,562	89,562
Total general funds	-	-	502,738	(71,192)	431,546	431,546	3,284,925	(3,189,599)	26,223	(5,990)	65,428	-	-	522,971	89,562	612,533	612,533
Total net assets	\$ 522,120	\$ 748,924	\$ 2,040,885	\$ (71,192)	\$ 1,969,693	\$ 3,240,737	\$ 3,584,769	\$ (3,593,489)	\$ 148,888	\$ (28,915)	\$ -	\$ 522,120	\$ 800,565	\$ 1,939,743	\$ 89,562	\$ 2,029,305	\$ 3,351,990

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2005, as restated

	Beginning of Year		Unrestricted		Total	Total	Income	Expense	Investment Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	End of Year		Unrestricted		Total	Total	
	Permanently Restricted	Temporarily Restricted	Designated	Undesignated								Permanently Restricted	Temporarily Restricted	Designated	Undesignated			
Prize Funds																		
Herbert Baxter Adams Prize Fund	\$ 5,000	\$ 19,862	\$ -	\$ -	\$ -	\$ 24,862	\$ -	\$ (1,000)	\$ 1,248	\$ (96)	\$ -	\$ 5,000	\$ 20,014	\$ -	\$ -	\$ -	\$ 25,014	
Ancient History Prize Fund - James H. Breasted Fund	10,800	4,054	-	-	-	14,854	-	-	764	(60)	-	10,800	4,758	-	-	-	15,558	
George Louis Beer Prize Fund	5,000	58,418	-	-	-	63,418	-	(1,500)	3,181	(244)	-	5,000	59,855	-	-	-	64,855	
Beveridge Family Prize Fund	20,000	7,716	-	-	-	27,716	-	(1,500)	1,376	(106)	-	20,000	7,486	-	-	-	27,486	
Paul Birdsall Prize Fund	10,000	10,627	-	-	-	20,627	-	(1,000)	1,029	(80)	-	10,000	10,576	-	-	-	20,576	
Albert Corey Prize Fund	25,000	30,316	-	-	-	55,316	-	-	2,808	(216)	-	25,000	32,908	-	-	-	57,908	
Premio Del Rey Prize Fund	10,800	11,198	-	-	-	21,998	-	(1,000)	1,095	(85)	-	10,800	11,208	-	-	-	22,008	
John H. Dunning Prize Fund	2,000	22,670	-	-	-	24,670	-	(91)	1,252	(98)	-	2,000	23,733	-	-	-	25,733	
John K. Fairbank Prize Fund	7,990	40,249	-	-	-	48,239	-	(1,500)	2,411	(185)	-	7,990	40,975	-	-	-	48,965	
Morris D. Forkosch Prize Fund	16,000	19,888	-	-	-	35,888	-	(1,500)	1,784	(137)	-	16,000	20,035	-	-	-	36,035	
Leo Gershoy Prize Fund	10,000	38,736	-	-	-	48,736	-	(1,500)	2,441	(187)	-	10,000	39,490	-	-	-	49,490	
William Gilbert Prize Fund	10,000	8,481	-	-	-	18,481	-	-	948	(73)	-	10,000	9,356	-	-	-	19,356	
Clarence H. Haring Prize Fund	3,000	21,301	-	-	-	24,301	-	-	1,238	(96)	-	3,000	22,443	-	-	-	25,443	
Joan Kelly Prize Fund	18,692	18,213	-	-	-	36,905	-	(1,500)	1,845	(142)	-	18,692	18,416	-	-	-	37,108	
Michael Kraus Prize Fund	15,000	34,336	-	-	-	49,336	-	(2,000)	2,457	(188)	-	15,000	34,605	-	-	-	49,605	
J. Russell Major Prize Fund	50,475	(9,580)	-	-	-	40,895	-	(1,500)	2,049	(157)	-	50,475	(9,188)	-	-	-	41,287	
Howard R. Marraro Prize Fund	10,000	14,361	-	-	-	24,361	-	(1,000)	1,218	(94)	-	10,000	14,485	-	-	-	24,485	
George L. Mosse Prize Fund	27,088	(6,147)	-	-	-	20,941	-	(1,000)	1,045	(81)	-	27,088	(6,183)	-	-	-	20,905	
James A. Rawley Award	35,275	(4,085)	-	-	-	31,190	-	(1,500)	1,549	(120)	-	35,275	(4,156)	-	-	-	31,119	
Nancy Roelker Award	18,000	9,894	-	-	-	27,894	-	(1,000)	1,391	(108)	-	18,000	10,177	-	-	-	28,177	
Andrew D. White Prize Fund	-	11,307	-	-	-	11,307	-	-	575	(45)	-	-	11,837	-	-	-	11,837	
Wesley-Logan Prize Fund	-	12,570	-	-	-	12,570	-	(1,000)	621	(49)	-	-	12,142	-	-	-	12,142	
Herbert Feis Prize Fund	-	14,501	-	-	-	14,501	-	(1,000)	718	(57)	-	-	14,162	-	-	-	14,162	
John E. Fagg Prize Fund	-	5,702	-	-	-	5,702	-	(1,000)	266	(20)	-	-	4,948	-	-	-	4,948	
Total prize funds	310,120	394,588	-	-	-	704,708	-	(23,091)	35,309	(2,724)	-	310,120	404,082	-	-	-	714,202	
Grant Programs																		
Carnegie Foundation - Study of Graduate Training in History	-	23,843	-	-	-	23,843	-	(51,543)	-	-	27,700	-	-	-	-	-	-	
National Endowment for the Humanities - Rethinking America	-	-	-	-	-	-	156,584	(156,584)	-	-	-	-	-	-	-	-	-	
American Council on Education - Internationalizing the Disciplines	-	-	-	-	-	-	8,000	(4,402)	65	-	-	-	3,663	-	-	-	3,663	
Council of Graduate Schools Grant - Preparing Future Faculty	-	14,325	-	-	-	14,325	-	(7,200)	379	-	-	-	7,504	-	-	-	7,504	
Ford Foundation Grant - Seascapes	-	-	-	-	-	-	-	(6,213)	-	-	6,213	-	-	-	-	-	-	
Mellon Foundation Grant - E Book Prize Program	-	-	-	-	-	-	584,174	(436,163)	2,585	-	-	-	150,596	-	-	-	150,596	
National Aeronautics and Space Administration Fellowship Program	-	-	-	-	-	-	25,000	(20,000)	-	-	(5,000)	-	-	-	-	-	-	
Oxford University Press - Guide Historical Literature	-	85,210	-	-	-	85,210	-	-	2,974	-	-	-	88,184	-	-	-	88,184	
CASTL Program	-	5,195	-	-	-	5,195	-	(2,585)	141	-	-	-	2,751	-	-	-	2,751	
Carnegie Mellon NHEN	-	50,158	-	-	-	50,158	-	(3,720)	1,687	-	-	-	48,125	-	-	-	48,125	
Total grant programs	-	178,731	-	-	-	178,731	773,758	(688,410)	7,831	-	28,913	-	300,823	-	-	-	300,823	

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENT OF NET ASSETS BY CLASSIFICATION

For the year ended June 30, 2005, as restated

	Beginning of Year		Unrestricted		Total	Total	Income	Expense	Investment Income, Realized Gains, and Unrealized Losses	Investment Fees	Transfers	End of Year		Unrestricted		Total	Total
	Permanently Restricted	Temporarily Restricted	Designated	Undesignated								Designated	Undesignated				
Special Funds																	
Albert J. Beveridge Memorial Fund	100,000	-	196,534	-	196,534	296,534	-	(10,900)	14,752	(1,125)	(25,381)	100,000	-	173,880	-	173,880	273,880
Littleton-Griswold Fund	25,000	-	148,891	-	148,891	173,891	-	(6,200)	8,662	(662)	(14,895)	25,000	-	135,796	-	135,796	160,796
David M. Matteson Fund	87,000	44,019	183,768	-	183,768	314,787	-	-	15,961	(1,217)	(27,453)	87,000	44,019	171,059	-	171,059	302,078
National History Center	-	-	103,952	-	103,952	103,952	114,079	(163,049)	4,032	(309)	10,000	-	-	68,705	-	68,705	68,705
Endowment Fund	-	-	536,901	-	536,901	536,901	12,724	-	27,532	(2,099)	(47,378)	-	-	527,680	-	527,680	527,680
Bernadotte Schmitt Endowment Fund	-	-	454,161	-	454,161	454,161	-	(14,073)	22,667	(1,728)	-	-	-	461,027	-	461,027	461,027
J. Franklin Jameson Fund	-	4,729	-	-	-	4,729	-	(5,000)	132	(11)	150	-	-	-	-	-	-
Total special funds	212,000	48,748	1,624,207	-	1,624,207	1,884,955	126,803	(199,222)	93,738	(7,151)	(104,957)	212,000	44,019	1,538,147	-	1,538,147	1,794,166
General Funds																	
Working Capital Fund	-	-	100,000	-	100,000	100,000	-	-	-	-	-	-	-	100,000	-	100,000	100,000
Property, Plant and Equipment Fund	-	-	402,738	-	402,738	402,738	-	-	-	-	-	-	-	402,738	-	402,738	402,738
Undesignated Fund	-	-	-	(184,428)	(184,428)	(184,428)	3,126,531	(3,104,633)	16,501	(1,207)	76,044	-	-	-	(71,192)	(71,192)	(71,192)
Total general funds	-	-	502,738	(184,428)	318,310	318,310	3,126,531	(3,104,633)	16,501	(1,207)	76,044	-	-	502,738	(71,192)	431,546	431,546
Total net assets	\$ 522,120	\$ 622,067	\$ 2,126,945	\$ (184,428)	\$ 1,942,517	\$ 3,086,704	\$ 4,027,092	\$ (4,015,356)	\$ 153,379	\$ (11,082)	\$ -	\$ 522,120	\$ 748,924	\$ 2,040,885	\$ (71,192)	\$ 1,969,693	\$ 3,240,737

See accompanying notes and independent auditors' report.

AMERICAN HISTORICAL ASSOCIATION

SUPPLEMENTAL STATEMENTS OF GENERAL OPERATIONS

For the years ended June 30, 2006 and 2005

	2006	As restated 2005
REVENUE AND SUPPORT		
Membership dues	\$ 1,109,735	\$ 1,043,293
Annual Conference	759,458	663,418
American Historical Review	854,136	832,600
Publications	558,153	570,630
Administrative income	9,400	16,077
Contributions	3,449	16,590
Interest allocation from designated investments	95,433	115,106
Total revenue and support	3,389,764	3,257,714
 EXPENSES		
Programs:		
American Historical Review	737,968	740,200
Annual Meeting	468,912	404,537
Membership	200,334	187,381
Publications	537,788	563,424
Grants - transfers	30,005	33,913
Total programs	1,975,007	1,929,455
Support services:		
General and Administrative	821,430	769,522
Council	408,204	403,998
Total support services	1,229,634	1,173,520
Total expenses	3,204,641	3,102,975
 Change in net assets	\$ 185,123	\$ 154,739

Note: Publication costs include an inventory adjustments that reduces the total expense by \$93,172 and \$55,943, for the years ended June 30, 2006 and 2005, respectively.

See accompanying notes and independent auditors' report.