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**HISTORY OF ECONOMICS SOCIETY**

**FINANCIAL STATEMENTS**

**MAY 31, 2022 AND 2021**

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**HISTORY OF ECONOMICS SOCIETY**

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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To the Board of Directors of  
**History of Economics Society**

We have reviewed the accompanying financial statements of **History of Economics Society** which comprise the statement of financial position as of May 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to organization's financial data and making inquiries of the organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibilities for the Financial Statements**

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

### **Accountants' Responsibilities**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of **History of Economics Society** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Report on 2021 Financial Statements**

The May 31, 2021 financial statements were audited by us, and we expressed an unmodified opinion on them in our report October 19, 2021. We have not performed any auditing procedures since that date.

*Kiefer Bonfanti & Co. LLP*

St. Louis, Missouri  
December 7, 2022

**HISTORY OF ECONOMICS SOCIETY**

**STATEMENTS OF FINANCIAL POSITION**

	<b>Assets</b>	
	<b>May 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 104,822	\$ 46,624
Accounts receivable	22,994	36,297
Prepaid expenses	4,328	3,163
Accrued interest	-	105
<b>Total Current Assets</b>	<b>132,144</b>	<b>86,189</b>
<b>Prepaid Expenses, Non-Current</b>	<b>12,132</b>	<b>5,033</b>
<b>Investments, at Fair Value</b>	<b>1,020,382</b>	<b>1,149,529</b>
<b>Total Assets</b>	<b>\$ 1,164,658</b>	<b>\$ 1,240,751</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7,926	\$ 7,910
Accrued expenses	355	2,229
Deferred revenue	19,378	8,017
<b>Total Current Liabilities</b>	<b>27,659</b>	<b>18,156</b>
<b>Deferred Revenue, Non-Current</b>	<b>3,172</b>	<b>4,989</b>
<b>Total Liabilities</b>	<b>30,831</b>	<b>23,145</b>
<b>Net Assets</b>		
Without donor restrictions	1,078,827	1,162,606
With donor restrictions	55,000	55,000
<b>Total Net Assets</b>	<b>1,133,827</b>	<b>1,217,606</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,164,658</b>	<b>\$ 1,240,751</b>

HISTORY OF ECONOMICS SOCIETY

STATEMENTS OF ACTIVITIES

	Year Ended May 31,	
	2022 (unaudited)	2021 (audited)
	Amount	Amount
<b>Net Assets Without Donor Restrictions</b>		
<b>Support, Revenue, and Gains</b>		
Publications	\$ 51,386	\$ 63,712
Membership dues	10,792	10,755
Conferences	3,065	560
Realized investment income	56,084	36,520
Unrealized gain (loss) on investments	(113,833)	190,781
Foreign currency loss	(191)	(73)
<b>Total Support, Revenue, and Gains</b>	<b>7,303</b>	<b>302,255</b>
<b>Expenses</b>		
Program services	52,583	51,241
Management and general	36,299	24,592
Fundraising	2,200	2,179
<b>Total Expenses</b>	<b>91,082</b>	<b>78,012</b>
<b>Increase (Decrease) in Net Assets Without Donor Restrictions</b>	<b>(83,779)</b>	<b>224,243</b>
<b>Net Assets, Beginning of Year</b>	<b>1,162,606</b>	<b>942,926</b>
Adoption of ASU No. 2014-09	-	(2,543)
Prior Period Adjustment	-	(2,020)
<b>Net Assets, End of Year</b>	<b>\$ 1,078,827</b>	<b>\$ 1,162,606</b>

**HISTORY OF ECONOMICS SOCIETY**

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED MAY 31, 2022 (UNAUDITED)**

	<u>Program Services</u>			<u>Supporting Activities</u>		<u>Total</u>
	<u>Programming</u>	<u>Conference</u>	<u>Total Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	
Grants and awards	\$ 22,107	1,276	23,383	-	-	<b>\$ 23,383</b>
Professional fees	4,642	2,858	7,500	23,899	-	<b>31,399</b>
Payroll	11,137	1,000	12,137	6,950	1,856	<b>20,943</b>
Other	1,839	-	1,839	-	-	<b>1,839</b>
Office	1,291	-	1,291	4,898	344	<b>6,533</b>
Travel	1,779	4,654	6,433	552	-	<b>6,985</b>
<b>Total</b>	<b>\$ 42,795</b>	<b>9,788</b>	<b>52,583</b>	<b>36,299</b>	<b>2,200</b>	<b>\$ 91,082</b>
<b>Percentage of Total Expenses</b>	<b>47.0%</b>	<b>10.7%</b>	<b>57.7%</b>	<b>39.9%</b>	<b>2.4%</b>	<b>100.0%</b>

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**HISTORY OF ECONOMICS SOCIETY**

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED MAY 31, 2021 (AUDITED)**

	<u>Program Services</u>					<u>Supporting Activities</u>		<u>Total</u>
	<u>Programming</u>	<u>ASSA</u>	<u>Conference</u>	<u>JHET</u>	<u>Total Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	
Grants and awards	\$ 23,922	-	223	-	24,145	-	-	\$ 24,145
Professional fees	-	-	-	-	-	17,308	-	17,308
Payroll	9,006	-	-	-	9,006	5,275	1,501	15,782
Office	3,489	-	424	7,868	11,781	2,009	678	14,468
Conferences	-	60	4,249	2,000	6,309	-	-	6,309
<b>Total</b>	<b>\$ 36,417</b>	<b>60</b>	<b>4,896</b>	<b>9,868</b>	<b>51,241</b>	<b>24,592</b>	<b>2,179</b>	<b>\$ 78,012</b>
<b>Percentage of Total Expenses</b>	<b>46.7%</b>	<b>0.1%</b>	<b>6.3%</b>	<b>12.6%</b>	<b>65.7%</b>	<b>31.5%</b>	<b>2.8%</b>	<b>100.0%</b>

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**HISTORY OF ECONOMICS SOCIETY**

**STATEMENTS OF CASH FLOWS**

	<b>Years Ended May 31,</b>	
	<b>2022</b>	2021
	<b>(unaudited)</b>	(audited)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ (83,779)	\$ 224,243
Adjustments:		
Adoption of ASU No. 2014-09	-	(2,543)
Prior period adjustment	-	(2,020)
Realized gain and unrealized loss on investments	84,178	(206,472)
Foreign currency loss	191	73
(Increase) decrease in operating assets		
Accounts receivable	13,303	(14,018)
Prepaid expenses	(8,264)	(1,115)
Accrued interest	(105)	-
Increase (decrease) in operating liabilities		
Accounts payable	16	(12,047)
Accrued expenses	(1,874)	1,574
Deferred revenue	9,544	11,986
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>13,210</b>	<b>(339)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(40,012)	(43,918)
Proceeds from sale of investments	85,000	43,499
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>44,988</b>	<b>(419)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalent:</b>	<b>58,198</b>	<b>(758)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>46,624</b>	<b>47,382</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 104,822</b>	<b>\$ 46,624</b>



NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2022 AND 2021

**BUSINESS DESCRIPTION**

**History of Economics Society** (the Society) is a not-for-profit organization that was formally established and held its first annual meeting in May 1974 at the University of North Carolina at Chapel Hill. Its established purpose is:

- To promote interest in, and inquiry into, the history of economics and related disciplines;
- To facilitate communication and discourse among scholars working in the field of the history of economics; and
- To disseminate knowledge about the history of economics.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The Society uses the accrual method of accounting.

***Estimates***

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

***Financial Statement Presentation***

The Society reports its information regarding financial position and activities according to the following net asset classifications:

***Net assets without donor restrictions***

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Society. These net assets may be used at the discretion of the Society's management and board of directors.

***Net assets with donor restrictions***

Net assets subject to stipulation imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Society or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were donor restrictions perpetual in nature of \$55,000 for the years ended May 31, 2022 and 2021.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities.

***Cash and Cash Equivalents***

For purposes of the Statement of Cash Flows, the Society considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

***Accounts Receivable***

Accounts receivable are uncollateralized customer obligations due under normal trade terms generally requiring payment upon receipt. The Society does not charge interest on any accounts receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off. Management does not consider an allowance for uncollectible receivables to be necessary. There was no bad debt expense for the years ended May 31, 2022 and 2021.

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## HISTORY OF ECONOMICS SOCIETY

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### Notes to Financial Statements (Continued)

#### **NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***Investments Valuation and Income Recognition***

The Society's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Society presents, in the Statement of Activities, net investment income, which consists of the dividend and interest income (net of investment fees), realized gains (losses) on those investments.

##### ***Foreign Currency Adjustments***

Exchange gains and losses arising from remeasurement of foreign currency-denominated monetary assets and liabilities are included in income in the period in which they occur.

##### ***Revenue and Revenue Recognition***

The Society receives revenue from membership dues, publications, and conferences. Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided. The Organization recognizes the exchange portion of membership dues over the membership period, which is generally one year or three years.

The Society recognizes revenue derived from publications each quarter of the volume year as the publication is issued or otherwise made available to the subscriber.

The Society recognizes revenue derived from conferences at the time the event takes place.

##### ***Functional Expenses***

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<b><u>Expense</u></b>	<b><u>Method of Allocation</u></b>
Grants and awards	Direct costs
Professional fees	Direct costs
Payroll	Direct costs, time and effort
Other	Direct costs
Office	Direct costs
Travel	Direct costs

## HISTORY OF ECONOMICS SOCIETY

### Notes to Financial Statements (Continued)

#### **NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***Income Tax Status***

The Society is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. The Society has evaluated its tax positions, expiring tax statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings and believes that no provision for income taxes is necessary, at this time, to cover any uncertain tax positions. The Society's federal Form 990s are subject to examination, generally for three years after they are filed. As of December 7, 2022, no informational returns have been selected for examination.

##### ***Subsequent Events***

The Society has evaluated subsequent events through December 7, 2022, the date which the financial statements were available to be issued, for possible recognition or disclosure.

#### **NOTE 2 AVAILABILITY AND LIQUIDITY**

The Society's financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows:

	<b>May 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Financial assets at year end:</b>		
Cash and cash equivalents	\$ 104,822	\$ 46,624
Accounts receivable	22,994	36,297
Investments	1,020,382	1,149,529
<b>Total Financial Assets</b>	<b>1,148,198</b>	<b>1,232,450</b>
<b>Less amounts not available to be used within one year:</b>		
Net assets with donor restrictions	55,000	55,000
Less net assets with time and purpose restrictions to be met in less than one year	-	-
<b>Total amounts not available to be used within one year</b>	<b>55,000</b>	<b>55,000</b>
<b>Financial assets available to meet general expenditures over the next twelve months</b>	<b>\$ 1,093,198</b>	<b>\$ 1,177,450</b>

The Society is substantially supported by publication revenues and investment income without donor restrictions. As part of the Society's liquidity management, the policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Notes to Financial Statements (Continued)

**NOTE 3 CONCENTRATIONS OF CREDIT AND MARKET RISK**

Financial instruments that potentially subject the Society to concentrations of credit and market risk consist principally of cash, investments, and trade accounts receivable.

The Society maintains its cash primarily with one major financial institution. Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 under the FDIC's general deposit insurance rules. Cash balances did not exceed the FDIC limits at May 31, 2022 and 2021.

The Society has a significant number of investments in marketable securities that are therefore subject to market risk. Market risk is the possibility that future changes in market price may make a financial instrument less valuable. The Society maintains its investments primarily with one brokerage firm. Securities held at this firm are insured by Securities Investor Protection Corporation (SIPC) up to \$500,000. Investment balances exceeded the SIPC limits by approximately \$542,000 and \$671,000 at May 31, 2022 and 2021, respectively.

The Society received 100% of its publication revenue from Cambridge University Press for the years ended May 31, 2022 and 2021. 100% of receivables are due from Cambridge University Press at May 31, 2022 and 2021.

**NOTE 4 FAIR VALUE MEASUREMENTS**

Financial accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). The three levels of the fair value hierarchy under the standards are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are significant unobservable inputs.

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

**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at May 31, 2022 and 2021.

- Equity funds – valued at daily closing price reported on the principal and active market on which the equity fund is traded.
- Bond funds – valued at daily closing price reported on the principal and active market on which the bond fund is traded.
- Exchange traded funds – valued at quoted prices in active markets in which the individual security is traded. When quoted prices are not available fair value is determined using a valuation model.
- Real estate investment trusts – valued at daily closing price reported on the principal and active market on which the real estate investment trust is traded.

The inputs or methodologies used for valuing investments may not be an indication of the risk associated with investing in those securities. Furthermore, management believes its valuation methods are appropriate and consistent. The use of different methodologies or assumptions could result in a different fair value measurement at the reporting date.

The Society's assets that are measured at fair value are all valued at level 1 and amount to \$1,020,382 and \$1,149,529 at May 31, 2022 and 2021, respectively.

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