

*The* AMERICAN FINANCE ASSOCIATION  
Publishers of *The Journal of* FINANCE

**Financial Statements**

**And**

**Independent Auditor's Report**

**As of June 30, 2022  
and for the year then ended  
with summarized comparative  
information for June 30, 2021**

# American Finance Association

## Table of Contents

Independent Auditor's Report .....	1
Financial Statements	
Statement of Financial Position.....	3
Statement of Activities .....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to Financial Statements .....	7



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
American Finance Association  
Salt Lake City, Utah

### *Opinion*

We have audited the accompanying financial statements of American Finance Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Finance Association as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

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

### *Responsibilities of Management for the Financial Statements*

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

***Report on Summarized Comparative Information***

We have previously audited American Finance Association's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Bountiful Peak Advisors*

Bountiful, Utah  
December 20, 2022

**American Finance Association**  
**Statement of Financial Position**  
**June 30, 2022**  
**With Comparative Totals for June 30, 2021**

	<u>06/30/2022</u>	<u>06/30/2021</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 866,526	\$ 855,033
Current portion of accounts receivable, including promises to give	282,859	4,007
Investments	<u>22,214,931</u>	<u>25,039,772</u>
Total current assets	<u>23,364,316</u>	<u>25,898,812</u>
Cash, restricted	5,003	15,000
Accounts receivable, including promises to give	78,358	181,518
Allowance for doubtful promises to give	(25,000)	(25,000)
Property and equipment	64,300	64,300
Less: accumulated amortization	<u>(16,075)</u>	<u>(3,215)</u>
Net property and equipment	<u>48,225</u>	<u>61,085</u>
Investments, restricted	<u>1,197,658</u>	<u>1,241,563</u>
Total assets	<u>\$ 24,668,560</u>	<u>\$ 27,372,978</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 13,031	\$ 448
Accrued payroll	23,709	22,208
Deferred revenue	125,000	175,000
Other accrued liabilities	140,557	49,350
Accrued referee credits	<u>904,705</u>	<u>790,960</u>
Total current liabilities	<u>1,207,002</u>	<u>1,037,966</u>
Net assets		
Without donor restrictions	22,205,455	24,921,931
With donor restrictions	<u>1,256,103</u>	<u>1,413,081</u>
Total net assets	<u>23,461,558</u>	<u>26,335,012</u>
Total liabilities and net assets	<u>\$ 24,668,560</u>	<u>\$ 27,372,978</u>

See accompanying notes to financial statements.

**American Finance Association**  
**Statement of Activities**  
**Year Ended June 30, 2022**  
**With Comparative Totals For the Year Ended June 30, 2021**

	<b>June 30, 2022</b>			
	<u>Without Donor</u>	<u>With Donor</u>	<u>06/30/2022</u>	<u>06/30/2021</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>				
Revenues				
Publishing contracts	\$ 1,210,277	\$ -	\$ 1,210,277	\$ 1,121,072
Archived publications	44,963	-	44,963	85,916
Article submission fees	234,025	-	234,025	246,170
Interest	69	-	69	96
Net investment income	<u>(2,759,959)</u>	<u>(160,905)</u>	<u>(2,920,864)</u>	<u>5,458,273</u>
 Total revenues	 <u>(1,270,625)</u>	 <u>(160,905)</u>	 <u>(1,431,530)</u>	 <u>6,911,527</u>
 Support				
Grants	-	80,000	80,000	90,000
Fischer Black Fund contributions	-	13,924	13,924	2,856
Net assets released from restrictions	<u>89,997</u>	<u>(89,997)</u>	<u>-</u>	<u>-</u>
 Total support	 <u>89,997</u>	 <u>3,927</u>	 <u>93,924</u>	 <u>92,856</u>
 Total revenues and support	 <u>(1,180,628)</u>	 <u>(156,978)</u>	 <u>(1,337,606)</u>	 <u>7,004,383</u>
 <b>EXPENSES</b>				
Program services	1,350,353	-	1,350,353	1,400,863
Management and general	184,096	-	184,096	166,201
Fundraising	<u>1,399</u>	<u>-</u>	<u>1,399</u>	<u>1,295</u>
 Total expenses	 <u>1,535,848</u>	 <u>-</u>	 <u>1,535,848</u>	 <u>1,568,359</u>
 Change in net assets	 (2,716,476)	 (156,978)	 (2,873,454)	 5,436,024
 Net assets, beginning of year	 <u>24,921,931</u>	 <u>1,413,081</u>	 <u>26,335,012</u>	 <u>20,898,988</u>
 Net assets, end of year	 <u>\$ 22,205,455</u>	 <u>\$ 1,256,103</u>	 <u>\$ 23,461,558</u>	 <u>\$ 26,335,012</u>

See accompanying notes to financial statements.

**American Finance Association**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2022**  
**With Comparative Totals For the Year Ended June 30, 2021**

	<b>June 30, 2022</b>									
	<b>Program Services</b>					<b>Supporting Activities</b>			<b>6/30/2022</b>	<b>6/30/2021</b>
	<b>Journal of Finance</b>	<b>Annual Meeting</b>	<b>Women's Initiative</b>	<b>Other Programs</b>	<b>Total</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
Salaries and wages	\$ 27,343	\$ 32,882	\$ 13,269	\$ 6,500	\$ 79,994	\$ 98,274	\$ 1,300	\$ 99,574	\$ 179,568	\$ 168,719
Payroll taxes	2,093	2,515	1,015	497	6,120	7,518	99	7,617	13,737	12,907
Contract labor	1,004,671	19,347	12,947	-	1,036,965	33,147	-	33,147	1,070,112	1,115,974
Grants to others	88,802	-	-	50,000	138,802	-	-	-	138,802	129,999
Information technology	14,756	5,936	12,381	16,641	49,714	4,108	-	4,108	53,822	60,643
Professional services	-	-	-	6,550	6,550	18,381	-	18,381	24,931	44,693
Amortization	6,430	1,286	1,286	3,215	12,217	643	-	643	12,860	3,215
Insurance	-	-	-	-	-	12,203	-	12,203	12,203	6,066
Bank and merchant fees	11,652	-	-	-	11,652	369	-	369	12,021	13,423
Office	1,877	666	-	-	2,543	8,851	-	8,851	11,394	9,918
Catering	-	3,900	-	-	3,900	-	-	-	3,900	-
Miscellaneous	1,351	-	-	-	1,351	602	-	602	1,953	1,882
License and dues	-	545	-	-	545	-	-	-	545	120
Marketing	-	-	-	-	-	-	-	-	-	800
<b>Total expenses</b>	<b>\$ 1,158,975</b>	<b>\$ 67,077</b>	<b>\$ 40,898</b>	<b>\$ 83,403</b>	<b>\$ 1,350,353</b>	<b>\$ 184,096</b>	<b>\$ 1,399</b>	<b>\$ 185,495</b>	<b>\$ 1,535,848</b>	<b>\$ 1,568,359</b>

See accompanying notes to financial statements.

**American Finance Association**  
**Statement of Cash Flows**  
**Year Ended June 30, 2022**  
**With Comparative Totals For the Year Ended June 30, 2021**

	<u>06/30/2022</u>	<u>06/30/2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (2,873,454)	\$ 5,436,024
Items not requiring cash		
Amortization	12,860	3,215
Noncash net investment income	3,475,232	(5,069,530)
Changes in		
Accounts receivable, including promises to give	(292,692)	63,611
Accounts payable	12,583	(280,734)
Accrued payroll	1,501	3,070
Deferred revenue	(50,000)	(50,000)
Other accrued liabilities	91,207	19,301
Accrued referee credits	<u>113,745</u>	<u>105,375</u>
Net cash provided by operating activities	<u>490,982</u>	<u>230,332</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(64,300)
Proceeds from sale of investments	4,047,731	1,500,000
Purchase of investments	<u>(4,654,217)</u>	<u>(1,998,054)</u>
Net cash used in investing activities	<u>(606,486)</u>	<u>(562,354)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Collection of contributions restricted for Fisher Black Fund	<u>117,000</u>	<u>96,000</u>
Net cash provided by financing activities	<u>117,000</u>	<u>96,000</u>
Net change in cash and cash equivalents	1,496	(236,022)
Cash, cash equivalents, and restricted cash beginning of year	<u>870,033</u>	<u>1,106,055</u>
Cash, cash equivalents, and restricted cash end of year	<u>\$ 871,529</u>	<u>\$ 870,033</u>
Cash and cash equivalents	866,526	855,033
Cash and cash equivalents, restricted	<u>5,003</u>	<u>15,000</u>
Total cash and cash equivalents shown in the statement of cash flow	<u>\$ 871,529</u>	<u>\$ 870,033</u>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.



# American Finance Association

## Notes to Financial Statements

June 30, 2022

### 1. ORGANIZATION SUMMARY

American Finance Association (the “Organization”) was incorporated as a nonprofit corporation in the State of Illinois in 1952. The Organization is a non-profit public charity dedicated to improving public understanding of financial problems and promoting finance scholarship. It is the premier academic organization devoted to the study and promotion of knowledge about financial economics. The Organization achieves its mission through the following major programs:

#### The Journal of Finance

Through a partnership with Wiley Publishing, the Organization publishes *The Journal of Finance*, a periodical containing leading research across all the major fields of finance. The journal is the most widely cited academic journal on finance. It is published six times per year and each issue reaches over 8,000 academics, financial professionals, libraries, governments, and financial institutions around the world.

#### Annual Meeting

The Organization sponsors an annual meeting each January at which papers are presented, covering the gamut of financial topics. The Organization’s current president also speaks on a chosen subject.

#### Women’s Initiative

AFFECT (the Academic Female Finance Committee) of the Organization was formed to promote the advancement of women academics in the field of finance. Within the academic field of finance, AFFECT strives to:

- Promote gender equality
- Facilitate networking among women
- Conduct research on the standing of women and factors related to differences in career paths of men and women
- Provide mentoring of women

#### Other Programs

Other programs of the Organization include an Ethics Committee, which has promoted the establishment of an American Finance Association Ombudsperson to help address any violation of the Organization’s Code of Professional Conduct of Ethics. The Ombudsperson also provides informal, confidential assistance to members who need advice about work-related ethical issues such as discrimination or harassment.

The Organization’s major sources of revenue include publishing contracts, net investment income, article submission fees, and grants.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The financial statements of the Organization have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

### Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Restricted cash and cash equivalents consist of amounts that have been donor-restricted for the Fischer Black Fund and distinguished paper awards.

### Concentrations of Credit Risks

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, cash equivalents, and investments. The Organization maintains its cash, cash equivalents, and investments in various financial institution accounts that, at times, may exceed federally insured limits. At June 30, 2022, cash in bank deposit accounts exceeded federally insured limits by \$836,333. These assets have been placed with high credit quality financial institutions and the Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

During the year ended June 30, 2022, revenue from the Organization's publishing contract represented a significant portion of the Organization's total revenue and support.

### Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at their estimated collectable amounts. The Organization's accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest.

Accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. An allowance for doubtful accounts related to accounts receivable has not been established at June 30, 2022 because management believes that all accounts receivable will be fully collectable.

### Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. An allowance for doubtful promises has been established at June 30, 2022 and is presented in the statement of financial position.

### Property and Equipment

Property and equipment are recorded at cost at the date purchased or, if donated, at fair value at the date donated. Amortization expense is calculated using the straight-line method over the estimated useful lives of the respective assets or lease terms, which is five years. Amortization expense for the year ended June 30, 2022 was \$12,860. Management reviews the carrying value of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no impairments during the year ending June 30, 2022.

### Investments

Investments are initially recorded at cost, if purchased, or a fair value if donated. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, and investment management and custodial fees. Restricted investments consist of amounts that have been donor-restricted for the Fischer Black Fund.

### Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions, with highest priority given to quoted prices in active markets and lowest priority to an entity's assumptions. The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1	Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
Level 2	Other observable inputs including quoted prices for similar assets in active or non-active markets, or other observable inputs for the asset.
Level 3	Unobservable inputs that cannot be corroborated by observable market data, such as pricing models, discounted cash flow models, and similar techniques.

### Deferred Revenue

Deferred revenue consists of the portion of the transaction price related to contracts with customers that has been allocated to performance obligations that have not yet been performed.

### Classes of Net Assets

Net assets, revenues and gains are classified based on the presence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

***Net Assets Without Donor Restrictions*** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

***Net Assets With Donor Restrictions*** – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

### Revenue Recognition

***Contributions*** – Contributions are recognized as support when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been substantially met. Contributions are considered to be without donor restrictions unless restricted by the donor.

***In-Kind Contributions*** – Contributed goods, use of facilities, and services that either create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at fair value at the date of donation.

***Program Service Revenue*** – Revenue is measured on the consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Taxes, if any, assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Organization from a customer, are excluded from revenue. Program service revenue consists of publishing contracts and article submission fees. Article submission fees are collected when submitted by the authors and related performance obligations are met at a point in time. Publishing contract fees are collected according to a contracted schedule and related performance obligations are met equally over the contract period. For purposes of financial reporting, the Organization considers itself an agent in its publishing contracts, rather than a principal, because it does not obtain control of the goods or have the ability to direct that goods or services be provided to specific customers. Therefore, profit sharing under publishing contracts is accounted for by the Organization on a net basis.

### Advertising

Advertising costs are expensed when the advertising first takes place. Advertising costs primarily include e-mail and social media. Advertising expense for the year ended June 30, 2022 was \$0, and is included in marketing expense in the statement of functional expenses.

### Income Taxes

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3), qualifying for the charitable contribution deduction under section 509(a)(2) and has been determined not to be a private foundation under Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) and is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax. Management believes that the Organization has appropriate support for any tax positions taken in its annual filing and does not have any uncertain tax positions that are material to the financial statements. The Organization's Forms 990 are no longer subject to tax examination for years before 2018.

### Functional Allocation of Expenses

The cost of providing programs and supporting services activities has been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, and contract labor, which are allocated on the basis of estimated time and effort.

### Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

### Reclassifications

Certain items from June 30, 2021 have been reclassified to conform to the June 30, 2022 presentation.

### 3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022 consisted of the following:

Cash and cash equivalents	\$ 866,526
Current portion of accounts receivable, including promises to give	282,859
Investments	<u>22,214,931</u>
	<u>\$ 23,364,316</u>

As part of its liquidity management plan, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in savings and investments.

### 4. ACCOUNTS RECEIVABLE, INCLUDING PROMISES TO GIVE

Accounts receivable, including promises to give, consisted of the following at June 30, 2022:

Promises to give	
Amounts expected to be collected in	
Less than one year	\$ 68,649
One to five years	10,000
Less unamortized discount	<u>(291)</u>
Total promises to give	<u>78,358</u>
Accounts receivable	
Amounts expected to be collected in	
Less than one year	<u>282,859</u>
Total accounts receivable, including promises to give	361,217
Less allowance for doubtful promises	<u>(25,000)</u>
Total accounts receivable, including promises to give	<u>336,217</u>
Less current portion	<u>(282,859)</u>
Accounts receivable, including promises to give, net of allowance for doubtful promises	<u>\$ 53,358</u>

**5. PROPERTY AND EQUIPMENT**

Property and equipment consisted of a membership database with a cost basis of \$64,300 and accumulated amortization of \$16,075 at June 30, 2022. Amortization expense for the year ended June 30, 2022 was \$12,860.

**6. FAIR VALUE MEASUREMENTS**

The following tables sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value at June 30, 2022.

**Assets at Fair Value at June 30, 2022**

	Level 1	Level 2	Level 3	Total
Mutual funds				
Equities	\$ 14,607,827	\$ -	\$ -	\$ 14,607,827
Fixed income	8,187,567	-	-	8,187,567
Treasury notes & bonds	617,195	-	-	617,195
Total investments, at fair value	\$ 23,412,589	\$ -	\$ -	\$ 23,412,589

Significant changes in investments during the year ended June 30, 2022 consisted of the following:

	Investments	Investments, Restricted	Total
Balance at June 30, 2021	\$ 25,039,772	\$ 1,241,563	\$ 26,281,335
Transfers	(28,876)	117,000	88,124
Net investment income			
Interest and dividends	483,966	8,210	492,176
Realized gains	26,185	-	26,185
Unrealized gains	(3,306,116)	(169,115)	(3,475,231)
Balance at June 30, 2022	\$ 22,214,931	\$ 1,197,658	\$ 23,412,589

**7. ACCRUED REFEREE CREDITS**

Articles submitted to *The Journal of Finance* are reviewed by scholars assigned by the Editor. The Organization awards credits to each reviewer, which may be used to offset the reviewer’s own future submission fees or which may be distributed as a cash payment at the election of the reviewer. At June 30, 2022, accrued referee credits totaled \$904,705

**8. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at June 30, 2022:

Subject to expenditure for specified purpose	
Fischer Black Fund	\$ 1,197,658
Distinguished paper awards	5,003
Promises to give, the proceeds from which have been restricted by the donors for the Fischer Black Fund	53,442
Total net assets with donor restrictions	\$ 1,256,103

The Fischer Black Fund was established to provide for The Fischer Black Prize, a biennial award to honor individual financial research. Awardees are recognized for a body of work that best exemplifies the Fischer Black hallmark of developing theoretical research concepts that have a direct and significant impact on finance practice. Expenses directly related to the administration of the Fischer Black Prize may also be borne by the Fischer Black Fund. Distinguished paper awards are granted annually for the top papers published in *The Journal of Finance*.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose of by the occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2022:

Subject to expenditure for specified purpose	
Distinguished paper awards	<u>\$ 89,997</u>

## 9. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Organization's revenue from contracts with customers include publishing contract revenue, archived publications revenue and article submission fees. The following table provides information about contract balances at June 30, 2022.

Accounts receivable	
Publishing contracts	<u>\$ 282,859</u>
Deferred revenue	
Publishing contracts	<u>\$ 125,000</u>

Deferred revenue related to publishing contracts is expected to be recognized at \$50,000 during each of fiscal years 2022 through 2024 and at \$25,000 during fiscal year 2025.

Significant changes in deferred revenue during the year ended June 30, 2022 were as follows:

Deferred revenue at June 30, 2021	\$ 175,000
Decreases in deferred revenue due to amortization of publishing contract revenue during the year ended June 30, 2022	<u>(50,000)</u>
Deferred revenue at June 30, 2022	<u>\$ 125,000</u>

## 10. COMMITMENTS AND CONTINGENCIES

The Organization entered into a contract with Wiley Publishing, which outlines certain duties and responsibilities of both parties related to producing *The Journal of Finance*. In addition to other responsibilities, Wiley Publishing is responsible for all printing, publishing and distribution activities for the journal. The Organization is responsible for soliciting, selecting, and editing articles for the journal. In exchange, both parties participate in a profit-sharing agreement.

The Organization also entered into contracts with its editor, co-editor, and assistant editors for *The Journal of Finance* for course reduction and editorial services.

The Organization may be involved in certain claims arising from the ordinary course of operations and has purchased insurance policies to cover these risks.



## **11. SUBSEQUENT EVENTS**

Subsequent events were evaluated through December 20, 2022, which is the date the financial statements were available to be issued. From their review, management has determined that there were no significant recognizable or unrecognizable subsequent events that were not properly disclosed.

## **12. COMPARATIVE FINANCIAL INFORMATION**

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021 from which the summarized information was derived.