



Western Economic Association International

Financial Statements

As of and for the year ended December 31, 2023

(with independent auditor's report included)

Western Economic Association International
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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of
Western Economic Association International

Opinion

We have audited the financial statements of Western Economic Association International (a nonprofit organization) (the "Association"), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2023, and the changes in its 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 (GAAS). 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 the 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 the Association's ability to continue as a going concern for one year after the date that the financial statements are issued.

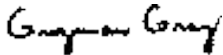
Auditor's Responsibilities for the Audit of the Financial Statements

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 GAAS 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 GAAS, 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 the 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 the 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.



GuzmanGray
Costa Mesa, CA
August 23, 2024

Western Economic Association International
Statement of Financial Position
As of December 31, 2023

ASSETS

Current assets:	
Cash and Cash Equivalents	\$ 107,677
Subscription Receivable	242,558
Investments	3,102,055
Prepaid Expenses	<u>5,369</u>
Total Current Assets	<u>3,457,659</u>
Fixed Assets, Net	-
Operating Lease Right-of-Use Asset	<u>77,614</u>
TOTAL ASSETS	<u>\$ 3,535,273</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Current Liabilities:	
Accounts Payable and Accrued Expenses	\$ 23,027
Deferred Revenue	343,690
Operating Lease Liability	<u>18,606</u>
Total Current Liabilities	<u>385,323</u>
Deferred Revenue, Net of Current Portion	12,593
Operating Lease Liability, Net of Current Portion	<u>59,008</u>
TOTAL LIABILITIES	<u>456,924</u>
NET ASSETS	
Net Assets Without Donor Restrictions	<u>3,078,349</u>
TOTAL NET ASSETS	<u>3,078,349</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,535,273</u>

See independent auditor's report and accompanying notes to financial statements.

**Western Economic Association International
Statement of Activities
For the year ended December 31, 2023**

SUPPORT AND REVENUE:

Economic Inquiry	\$ 360,311
Annual Conference Revenue	295,871
International Conference Revenue	156,489
Contemporary Economic Policy	124,688
Individual Membership	51,776
Institutional Membership	21,000

TOTAL SUPPORT AND REVENUE	<u>1,010,135</u>
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EXPENSES:

Program Services	1,078,391
Management & General	202,596
Membership	103,016

TOTAL EXPENSES	<u>1,384,003</u>
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REVENUE UNDER EXPENDITURES FROM OPERATIONS	(373,868)
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OTHER REVENUE:

Investment Return, Net	<u>533,702</u>
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CHANGE IN NET ASSETS	159,834
NET ASSETS, BEGINNING OF YEAR	<u>2,918,515</u>

NET ASSETS, END OF YEAR	<u><u>\$ 3,078,349</u></u>
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See independent auditor's report and accompanying notes to financial statements.

**Western Economic Association International
Statement of Functional Expenses
For the year ended December 31, 2023**

	Program								
	Graduate Student Workshop	Economic Inquiry	CEP	Annual Conference	International Conference	Total	Management & General	Membership	Total
Staff Services	\$ 8,443	\$ 58,726	\$ 40,128	\$ 82,567	\$ 32,029	\$ 221,893	\$ 57,684	\$ 54,014	\$ 333,591
Outside Services	17,094	56,901	21,568	40,141	16,922	152,626	19,619	22,780	195,025
Management Services	11,085	55,335	37,566	30,088	23,754	157,828	19,003	17,419	194,250
Conference Food & Beverage	13,263	-	-	135,718	27,929	176,910	-	-	176,910
Wiley Management Fee	-	56,127	23,237	-	-	79,364	-	-	79,364
Conference Audio Visual	-	-	-	75,349	-	75,349	-	-	75,349
Travel & Transportation	24,791	-	-	-	35,768	60,559	14,174	-	74,733
Conference Special Activities	-	-	-	11,663	21,710	33,373	-	-	33,373
Journal Typesetting & E-Production	-	23,082	9,077	-	-	32,159	-	-	32,159
Employee Benefits/403b match	-	-	-	-	-	-	27,219	-	27,219
Merchant & Bank Fees	-	-	-	-	-	-	24,220	-	24,220
Journals, Printing & Mailing	-	15,433	8,047	-	-	23,480	-	-	23,480
General Supplies & Services	-	2,795	2,123	4,914	3,548	13,380	6,424	1,852	21,656
Legal & Accounting	-	-	-	-	-	-	21,902	-	21,902
Promo & Other	-	2,097	2,217	9,128	2,065	15,507	-	2,260	17,767
Office Rent	1,223	2,215	2,215	4,314	1,240	11,207	4,314	4,314	19,835
Program Book Production	-	-	-	8,501	2,016	10,517	-	-	10,517
Elect. Editorial Office	-	8,130	797	-	-	8,927	-	-	8,927
Insurance	-	-	-	-	-	-	7,422	-	7,422
Postage	-	2,552	1,740	-	61	4,353	-	-	4,353
Office Electricity	108	194	194	377	86	959	377	377	1,713
Election & Other	-	-	-	-	-	-	238	-	238
Total Expenses	\$ 76,007	\$ 283,587	\$ 148,909	\$ 402,760	\$ 167,128	\$ 1,078,391	\$ 202,596	\$ 103,016	\$ 1,384,003

See independent auditor's report and accompanying notes to financial statements.

**Western Economic Association International
Statement of Cash Flows
For the year ended December 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	159,834
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gains on investments		(317,827)
Realized gains on investments		(126,000)
(Increase) decrease in:		
Subscription receivable		(114,318)
Prepaid expenses		2,473
Increase (decrease) in:		
Accounts payable and accrued expenses		(1,846)
Deferred revenue		67,622
		<u>67,622</u>

NET CASH USED IN OPERATING ACTIVITIES (330,062)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments/reinvested dividends	(77,083)
Proceeds from sale of investments	353,324
	<u>353,324</u>

NET CASH PROVIDED BY INVESTING ACTIVITIES 276,241

NET DECREASE IN CASH AND CASH EQUIVALENTS (53,821)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 161,498

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 107,677

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Interest expense	<u>\$</u>	<u>-</u>
Income tax expense	<u>\$</u>	<u>-</u>

See independent auditor's report and accompanying notes to financial statements.

Western Economic Association International
Notes to Financial Statements
For the Year Ended December 31, 2023

1. ORGANIZATION

Western Economic Association International (the “Association”) is a tax-exempt 501(c)(3) organization founded in 1922. Its purposes are to encourage economic research and discussion and to disseminate economic knowledge. It accomplishes this through the publication of journals, *Economic Inquiry* and *Contemporary Economic Policy*, and organizing conferences. Approximately 84% of the journals are being internationally distributed both in print and through electronic access. The Annual Conference is held in the western United States or western Canada. The International Conference is held every one to two years depending on the availability of appropriate co-sponsoring institutions which fluctuates with political and economic conditions around the world.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Association’s financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America.

Net Asset Presentation

The Association reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions.

- 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 objectives of the Association. The Association’s board may designate assets without restrictions for specific operational purposes from time to time.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.
- Net assets released from donor restrictions – Net assets are released by incurring expenses satisfying the restriction or occurrence of the other events specified by donors.

As of December 31, 2023, the Association does not have any net assets with donor restrictions.

Revenue Recognition

The Association applies the five-step model to contracts when it is probable that the Association will collect the consideration it is entitled. To determine revenue recognition for arrangements within the scope of ASC Topic 606, *Revenue from Contracts with Customers*, the Association performs the following five steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when or as the Association satisfies a performance obligation.

Western Economic Association International
Notes to Financial Statements
For the Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The Association then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation or as the performance obligation is satisfied. A summary of significant revenue streams is as follows:

Grants and Contracts

Recognition of revenue for grants and contracts is based primarily on services performed, expenses incurred, and as programs and service activities take place. The revenue is reported with support and revenue in the statement of activities.

Contributions

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. All contributions are considered as an increase in net assets without donor restrictions unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increase in net assets with donor restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions. For the year ended December 31, 2023, the Association does not have any contributions with donor restrictions.

Donated Services and Goods

The Association recognizes the contribution of services if the services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet the criteria shall not be recognized.

Donated goods are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as an increase in net assets without donor restrictions unless the donor has restricted the donated goods to a specific purpose.

Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Significant estimates include the timing of income recognition from grants and contracts and methodologies of allocating expenses by function that could vary from the estimates that were assumed in preparing the financial statements.

Fair Value Measurements

The Association follows US GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input of assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Association considers cash on hand and cash in other depository institutions with an original maturity of three months or less to be cash equivalents.

**Western Economic Association International
Notes to Financial Statements
For the Year Ended December 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Subscription and Accounts Receivable

Subscriptions receivable represent amounts collected by Wiley under a journal publishing agreement as disclosed in Note 5.

The Association uses the allowance method to record doubtful accounts receivable. There was no allowance for the year ended December 31, 2023, as management believes all receivables are fully collectible.

Prepaid expenses

Prepaid expenses include prepaid rent for the leased office, expenditures for the Annual Conference, and other prepaid expenses.

Fixed Assets

Furniture and equipment are carried at cost or, if donated, at the fair market value at date of donation. Depreciation is provided on the straight-line method over estimated useful lives of three to seven years. Additions and improvements that increase the capacity or lengthen the useful lives of the assets are capitalized. Repair and maintenance costs are expensed as incurred.

Investments

Investments purchased by the Association are stated at market value. Fair values of investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Contributed securities are stated at their market value on the date of donation. Realized gains and losses on sale of investments are determined based on the cost of the individual investment and the sale price at the date of sale. Unrealized gains and losses on marketable securities are calculated as the difference between the cost and market value of all investments on hand from one year to the next based on market value at year end and reported in the statement of activities.

Accrued Vacation

Accruals for vacation are made on a monthly basis as such benefits become payable to employees. Pay rate increases are applied to the hours earned in prior periods, if any, and are reported in salaries and wages in the statement of functional expenses.

Deferred Revenue

Subscriptions, memberships, and conference revenues received in advance are recognized as revenue during future periods in which they are earned. The deferred revenues represent an obligation to render services during future periods until the subscription or membership term expires or the conference occurs.

Membership terms range from one to three-year periods. Subscription revenue is recognized ratably over the length of the subscription term and matched against appropriate publication expenses. Annual conference income is recognized in the year in which the conference is held.

Conference Expenses

Each year, the Association hosts either one or two academic conferences — a large Annual Conference as well as a smaller International Conference. Certain management and research expenses are recognized as period expenses in the year incurred. Other conference expenses such as event deposits and travel which are paid in advance are recorded as prepaid expenses and recognized when the conference takes place.

**Western Economic Association International
Notes to Financial Statements
For the Year Ended December 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Functional Allocation of Expenses

The Association allocates its expenses on a functional basis among their various programs and support services. Expenses are identified with a specific program or support services and are allocated directly according to their natural expenditure classification. During the year ended December 31, 2023, 78% of expenses were allocated to program services.

Leases

The Association adopted ASC 842, Leases, to using the modified retrospective approach, which provides a method for recording existing leases at adoption using the effective date as its date of initial application. Accordingly, the Association has recorded its leases at inception of the lease agreement. The Association elected the package of practical expedients provided by ASC 842, which forgoes reassessment of the following upon adoption of the new standard: (1) whether contracts contain leases for any expired or existing contracts, (2) the lease classification for any expired or existing leases, and (3) initial direct costs for any existing or expired leases. In addition, the Association elected an accounting policy to exclude from the balance sheet the right-of-use assets and lease liabilities related to short-term leases, which are those leases with a lease term of twelve months or less that do not include an option to purchase the underlying asset that the Association is reasonably certain to exercise.

The Association applies judgment in determining whether a contract contains a lease and if a lease is classified as an operating lease or a finance lease. The Association applies judgement in determining the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Association will exercise that option. All relevant factors that create an economic incentive for it to exercise either the renewal or termination are considered. The Association reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. In adoption of ASC 842, the Association applied the practical expedient which applies hindsight in determining the lease term and assessing impairment of right-of-use assets by using its actual knowledge or current expectation as of the effective date. The Association also applies judgment in allocating the consideration in a contract between lease and non-lease components. It considers whether the Association can benefit from the right-of-use asset either on its own or together with other resources and whether the asset is highly dependent on or highly interrelated with another right of-use asset. Lessees are required to record a right of use asset and a lease liability for all leases with a term greater than twelve months. Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected remaining lease term. The incremental borrowing rate is determined using estimates which are based on the information available at commencement date and determines the present value of lease payments if the implicit rate is unavailable.

Income Tax Status

The Association is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue Code Section 23701(d). The Association is classified by the Internal Revenue Service as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(c)(2). Income for certain activities not directly related to the Association's tax-exempt purpose is subject to unrelated business income taxation.

The Association evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the tax positions will more likely than not be sustained upon examination. As of December 31, 2023, management does not believe the Association has any uncertain tax positions requiring accrual or disclosure. The Association is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Western Economic Association International
Notes to Financial Statements
For the Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Adoption of New Accounting Pronouncement

In June 2016, the FASB issued Accounting Standards Codification (ASC) 2016-13, Financial Instruments – Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, which modifies existing guidance related to the measurement of credit losses on financial instruments, including trade and loan receivables. The new guidance requires the allowance for credit losses to be measured based on expected losses over the life of the asset rather than incurred losses. The guidance is effective for annual and interim periods beginning after December 15, 2022, and early adoption is permitted. The adoption of FASB ASC 2016-13 did not have a material impact on the Association’s financial statements.

3. FIXED ASSETS, NET

For the year ended December 31, 2023, fixed assets consist of the following:

Furniture and equipment	\$ 40,529
Software	46,800
	<u>87,329</u>
Less: Accumulated depreciation	<u>(87,329)</u>
	<u><u>\$ -</u></u>

4. INVESTMENTS

The Association carries investments in marketable securities with readily determinable fair values at their fair values in the statements of financial position. Marketable securities are managed by investment managers and held by a third-party trustee.

A summary of investments as of December 31, 2023 is as follows:

	Cost	Unrealized Gain	Fair Value
Mutual funds	\$2,354,748	\$747,307	\$3,102,055

As of December 31, 2023, fair values of assets measured on a recurring basis are as follows:

	Fair Value	Quoted Prices in Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Mutual funds	\$3,102,055	\$3,102,055	\$ -	\$ -

Western Economic Association International
Notes to Financial Statements
For the Year Ended December 31, 2023

4. INVESTMENTS, continued

Net investment return consists of the following for the year ended December 31, 2023:

Unrealized gains	\$317,827
Realized gains	126,000
Interest and dividends	89,875
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	\$533,702
	<hr/>

5. PUBLISHING AGREEMENT

The Association renewed its journal publishing agreement with Wiley effective January 2018. Wiley shares the responsibilities for producing, marketing, and distributing the Association's journals. Wiley also collects subscriptions, pays certain expenditures on behalf of the Association, and maintains the accounting for such activities. As of December 31, 2023, subscription receivable amounted to \$242,558.

6. DEFERRED REVENUE

The Association's deferred revenue consists of collections received in advance related to membership dues and subscription revenues, and collections from organizing and hosting academic conferences.

As of December 31, 2023, the Association's deferred revenue consists of:

Deferred membership and subscription revenue	\$210,322
Deferred conference revenue	145,961
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Deferred revenue	356,283
Less: Current portion of deferred revenue	(343,690)
	<hr/>
Deferred revenue, net of current portion	\$ 12,593
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7. RETIREMENT PLAN

The Association provides an Internal Revenue Service Non-Contributory Code 403(b) tax shelter annuity for all eligible employees. For the year ended December 31, 2023, the Association contributed \$27,219 to the retirement plan for eligible employees.

8. OPERATING LEASES, net

On January 1, 2008, the Association entered into a lease agreement with Vermeulen Properties #4, LLC for its office facility at Suite 304, 18837 Brookhurst Street, Fountain Valley, California for a period of five (5) years. The Association renews the lease for an additional 5 years every end of the lease term. The agreement requires a base rent and CAM costs of \$1,628 and is subject to annual increases. On January 2023, the Association renewed its lease agreement for an additional five years, commencing on February 1, 2023.

Western Economic Association International
Notes to Financial Statements
For the Year Ended December 31, 2023

8. OPERATING LEASES, net, continued

The following summarizes the line items in the statement of financial position which includes amounts for operating lease at December 31, 2023:

Operating lease right-of-use assets	<u>\$77,614</u>
Operating lease liability, current portion	\$18,606
Operating lease liability, non-current portion	<u>59,008</u>
	<u>\$77,614</u>

Maturity analysis of the Association's operating lease liability was as follow:

Year Ending:

December 31, 2024	19,534
December 31, 2025	19,534
December 31, 2026	19,534
December 31, 2027	19,534
December 31, 2028	<u>1,626</u>
Future minimum lease payments	79,762
Amount representing interest	<u>(2,148)</u>
Present value of lease liability	77,614
Less: Current portion of operating lease liability	<u>(18,606)</u>
Operating lease liability, net of current portion	<u>\$59,008</u>

The following summarizes the line items in the statement of activities which include the components of lease expense for the year ended December 31, 2023:

Operating lease cost	\$19,534
Variable lease cost	<u>300</u>
	<u>\$19,834</u>

As of December 31, 2023, the weighted average remaining term of the lease is 4.09 years and the weighted average discount rate is 1.37%.

The following summarizes cash flow information related to leases for the year ended December 31, 2023:

Operating lease cost:	
Amortization of operating lease right-of-use asset	\$18,356
Interest on lease liability	<u>1,178</u>
	<u>\$19,534</u>
Cash paid for amounts included in the measurement of lease liability:	
Operating cash flows from operating lease	<u>\$19,534</u>

Western Economic Association International
Notes to Financial Statements
For the Year Ended December 31, 2023

9. CONCENTRATIONS AND CREDIT RISK

Cash deposits in financial institutions may exceed federally insured limits at times during the year. As of December 31, 2023, cash balances held at financial institutions did not exceed the FDIC insurance amount of \$250,000. The Association has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash equivalents. Cash deposited in financial institutions differs from cash presented in the statement of financial position due to timing differences. Investment assets are subject to risk of market fluctuations.

The Association derives its subscription receivable from a contract with Wiley under a journal publishing agreement as disclosed in Note 5.

The Association periodically holds conferences in foreign countries which are subject to the world economy. For the year ended December 31, 2023, approximately 84% of the Association's subscriptions are from international sources.

10. LIQUIDITY AND AVAILABILITY

The Association maintains and manages adequate operating funds per policies set by the Board of Directors.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 107,677
Investments	3,102,055
Current portion of deferred revenue	<u>(343,690)</u>
	<u>\$2,866,042</u>

11. SUBSEQUENT EVENTS

The Association has evaluated events subsequent to December 31, 2023, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 23, 2024, the date these financial statements were available to be issued.