

NATIONAL GENEALOGICAL SOCIETY

AUDITED FINANCIAL STATEMENTS

Year Ended September 30, 2016

(with summarized information for the year ended September 30, 2015)

(with Independent Auditors' Report Thereon)

Bourne, Painter & Bradley, P.C.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
National Genealogical Society
Arlington, Virginia

We have audited the accompanying financial statements of National Genealogical Society (referred to as "the Society"), which comprise the statements of financial position as of September 30, 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on those financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Genealogical Society as of September 30, 2016, 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.

Report on Summarized Comparative Information

We have previously audited National Genealogical Society's September 30, 2015 financial statements, and expressed an unmodified audit opinion on those audited financial statements in our report dated April 21, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bourne, Painter & Bradley P.C.

Bourne, Painter & Bradley, P.C.

May 1, 2017

NATIONAL GENEALOGICAL SOCIETY
 STATEMENTS OF FINANCIAL POSITION
 AS OF SEPTEMBER 30, 2016
 (WITH COMPARATIVE INFORMATION AS OF SEPTEMBER 30, 2015)

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 214,214	\$ 278,579
Certificates of deposit	699,908	901,318
Marketable securities, net	566,761	493,642
Accounts receivable, net	1,250	15,133
Inventory, net	21,096	27,859
Prepaid expenses and other assets	72,722	58,716
Property and equipment:		
Office furniture and equipment:		
Property and equipment, at cost	182,379	182,379
Internal use software	35,108	-
Subtotal	<u>217,487</u>	<u>182,379</u>
Accumulated depreciation	<u>(179,707)</u>	<u>(178,002)</u>
Property and equipment, net	<u>37,780</u>	<u>4,377</u>
	-	-
Total Assets	<u><u>\$ 1,613,731</u></u>	<u><u>\$ 1,779,624</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 92,290	\$ 63,067
Accrued leave	18,889	15,124
Deferred revenue:		
Membership dues	467,627	464,132
Conference and other	81,890	120,960
Subtotal	<u>549,517</u>	<u>585,092</u>
Total liabilities	<u>660,696</u>	<u>663,283</u>
Net Assets		
Unrestricted	931,420	1,095,206
Temporarily restricted	-	-
Permanently restricted	21,615	21,135
Total net assets	<u>953,035</u>	<u>1,116,341</u>
Total Liabilities and Net Assets	<u><u>\$ 1,613,731</u></u>	<u><u>\$ 1,779,624</u></u>

See accompanying auditors' report and notes to financial statements.

NATIONAL GENEALOGICAL SOCIETY
 STATEMENT OF ACTIVITIES & CHANGE IN NET ASSETS
 YEAR ENDED SEPTEMBER 30, 2016
 (WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2015)

	2016			Total	2015
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Revenue and Support					
Conferences and meetings	\$ 460,723			460,723	\$542,970
Educational services	52,113			52,113	34,860
Publication sales and advertising	13,633			13,633	18,106
Membership dues & subscriptions	547,168			547,168	559,291
Research & Special Activities	87,805			87,805	81,133
Bookstore sales	93,937			93,937	94,123
Contributions and donations	8,643		470	9,113	11,584
Investment income	41,246		10	41,256	4,959
Other miscellaneous	1,520			1,520	9,885
Total revenue and support	1,306,788	-	480	1,307,268	1,356,911
Expense					
Program services:					
Conferences and meetings	503,899			503,899	464,583
Educational services	125,196			125,196	152,398
NGS Quarterly publication	141,984			141,984	155,351
NGS News magazine	82,568			82,568	76,575
Membership programs	116,742			116,742	97,300
Research trips	59,150			59,150	49,117
Bookstore costs	94,319			94,319	54,069
Total program services	1,123,858	-	-	1,123,858	1,049,393
Supporting services:					
Management and general	346,716			346,716	307,347
Total supporting services	346,716	-	-	346,716	307,347
Unrealized loss on investments	-			-	10,102
Total expense	1,470,574	-	-	1,470,574	1,366,842
Change in Net Assets	(163,786)	-	480	(163,306)	(9,931)
Net assets, beginning of year	1,095,206	-	21,135	1,116,341	1,126,272
Net Assets, End of Year	\$ 931,420	\$ -	\$ 21,615	\$ 953,035	\$1,116,341

See accompanying auditors' report and notes to financial statements.

NATIONAL GENEALOGICAL SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2016
(WITH COMPARATIVE TOTALS)

	<u>2016</u>	<u>2015</u>
Cash Provided (Used) by Operating Activities		
Change in net assets	\$ (163,306)	\$ (9,931)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	1,705	1,705
Provisions for bad debts expense		
Unrealized (gain) loss on marketable securities	(11,576)	9,502
Changes in assets and liabilities:		
Accounts Receivable	13,883	3,787
Inventory	6,763	1,799
Prepaid Expenses and other assets	(14,006)	(25,675)
Accounts Payable and accrued expenses	29,223	(4,512)
Accrued leave	3,765	6,899
Deferred revenue	(35,575)	17,502
Total adjustments	<u>(5,818)</u>	<u>11,007</u>
Net cash provided (used) by operating activities	(169,124)	1,076
Cash Provided (Used) by Investing Activities		
Investments/redemptions in certificates of deposit, net	201,410	98,682
Investment in marketable securities, net	(61,543)	(488,336)
Purchases of property and equipment	(35,108)	(3,558)
Net cash provided (used) by investing activities	<u>104,759</u>	<u>(393,212)</u>
Cash Provided (Used) by Financing Activities		
Net cash provided (used) by financing activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(64,365)	(392,136)
Cash and cash equivalents, beginning of year	<u>278,579</u>	<u>670,715</u>
Cash and Cash Equivalents, End of Year	<u>\$ 214,214</u>	<u>\$ 278,579</u>
Supplemental Cash Flows Information		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

See accompanying auditors' report and notes to financial statements.

NATIONAL GENEALOGICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2016
(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2015)

Note A – Organization & Activities

Organization and Activities: The National Genealogical Society (the Society) was founded in 1903 with the expressed purpose of promoting genealogical leadership and education. The Society was incorporated in the Commonwealth of Virginia in January 1992 as a non-stock, nonprofit organization. The Society fulfills its purpose as a resource for genealogists and family historians by providing educational programs, informative publications, research assistance, genealogical resources, and networking opportunities for members. The Society is managed by its Board of Directors and Executive Director and has approximately 10,000 members and subscribers.

Note B – Summary of Significant Accounting Policies

Basis of Accounting: The Society prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expense when an obligation is incurred.

Income Tax Status: The Society received a favorable tax determination letter from the Internal Revenue Service in June 1957 setting forth its tax exemption under Section 501(c)(3) of the Internal Revenue Code (IRC) as a publicly supported organization under Section 509(a)(1). The Society's activities are generally exempt from the payment of income taxes; however, any related business-type activities, such as publication advertising, are subject to income taxes.

Cash and Cash Equivalents: For financial statement presentation purposes, the Society considers highly liquid debt instruments with maturities of three months or less, including money market funds, to be cash equivalents. The Society has had cash balances in excess of Federal insurance available for such accounts in the past. As of neither September 30, 2016 nor September 30, 2015, were there any cash balances in excess of federally insured amounts.

Certificates of Deposit: The Society invests a certain portion of its savings in certificates of deposit with original maturities of 18-30 months and stated annual interest rates that range from .70 – 1.25 %. The certificates mature at various times during the fiscal years ending from September 30, 2017 to 2018. As of both September 30, 2016 and September 30, 2015, all certificates of deposit were federally insured.

Marketable Securities: The Society's marketable securities consist of mutual funds and a United States Savings Bond that is reported at fair value based upon current published market prices. The bond which is due to mature in January 2023 has a cost basis of

\$5,000 and a face value of \$10,000. The fair value as of September 30, 2016 was \$16,032, including an unrealized gain for the fiscal year then ended of \$624, which was included as a component of investment income. The fair value as of September 30, 2015 was \$15,408, including an unrealized gain for the fiscal year then ended of \$600, which was included as a component of investment income.

Prepaid Expenses: The Society's prepaid expenses and other assets consist primarily of prepaid rent, postage, insurance, publication cost, conference and meeting expenses, security and other deposits.

Accounts Receivable: The Society's accounts receivables consist primarily of amounts due from the publication advertisements and other member services and inventory sales. Accounts receivable are reported in the accompanying financial statements at their net realizable value. Periodically, the Society reviews its outstanding receivables for collection purposes and to evaluate the necessity for an allowance for doubtful accounts. There was no reserve for bad debts as of September 30, 2016. As of September 30, 2015, accounts receivable was reported net of an allowance for doubtful accounts of \$500. There were \$2,852 in bad debts expensed for the fiscal year ended September 30, 2016. There were no bad debts expensed for the fiscal year ended September 30, 2015.

Inventory: Inventory consists primarily of educational publications, videos, materials, and promotional items held for resale, which are valued at the lower of cost or market on a first-in, first-out (FIFO) basis. Inventory is reported net of a reserve for inventory obsolescence of \$8,135 as of September 30, 2016 and of \$5,135 as of September 30, 2015, due to the limited marketability and age of certain items.

Property and Equipment: The Society capitalizes property and equipment acquisitions at cost or fair value at time of donation and depreciates these items using the straight-line method over estimated useful lives that range from 3-10 years.

Application development costs incurred to develop internal-use software are capitalized and amortized over the expected useful life of the software application. Activities that are considered application development include design of software configuration and interfaces, coding, installation of hardware, and testing. All other expenses incurred to develop internal-use software are expensed as incurred.

Depreciation and amortization expense was \$1,705 and \$1,705, respectively, for the fiscal years ended September 30, 2016 and September 30, 2015.

Deferred Revenue: Deferred revenue consists principally of membership dues and meeting registrations received in advance of the applicable membership period or corresponding conference or meeting. Membership dues revenue is recognized ratably over the membership.

Net Assets: The Society classifies its net assets based upon the existence or lack of donor imposed restrictions. When the Society receives contributions that are restricted by the

donor or limited as to their use and the Society has not met the donor's restriction by the end of the fiscal year, then the Society reports these amounts as temporarily restricted or permanently restricted depending upon the nature of the restriction.

It is the Society's policy to report any temporarily restricted amounts that are recognized and released from restriction during the same fiscal year are reported as unrestricted revenue and support. For the years ended September 30, 2016 and September 30, 2015, the Society did not report any temporarily restricted net assets. The permanently restricted net assets pertain to amounts contributed and earnings on the Society's 2nd Century Endowment Funds.

Contributions and Donations: Contributions and donations are recognized in the period in which an unconditional promise-to-give is known or when a contribution is received, at the earliest point the contribution is both determinable and measurable by the Society. Contributions are recognized as unrestricted, temporarily restricted, or permanently restricted based upon the existence or lack of donor-imposed restrictions. Any temporarily restricted amounts released from the donor's restriction are reported as net assets released from restriction unless the amount is both recognized and release from restriction during the same fiscal year at which point the amount is reflected as unrestricted revenue and support in the statement of activities.

Revenue Recognition: The Society recognizes revenue when earned in accordance with the accrual basis of accounting. Revenue from conferences and meetings and educational programs are recognized when the conference or meeting is held. Revenue from regular member dues is recognized ratably over the membership term, and revenue from life member dues is recognized with the remaining balance of deferred life dues being amortized over 15 years each fiscal year. Revenue from inventory sales and other member services are recognized when goods or services are provided to members and customers in the ordinary course of the Society's activities.

Functional Allocation of Expenses: The Society summarizes the cost of providing its various programs and activities on a functional basis in the accompanying financial statements. Accordingly, certain expenses were allocated to the program and supporting services benefited.

Advertising: The Society uses advertising to promote its activities. Advertising costs are expensed as incurred. Advertising expensed for the years ended September 30, 2016 and September 30, 2015 was \$46,238 and \$27,239, respectively.

Corporate Reporting: Not-for-profit organizations frequently present information for the prior period in total, rather than by net asset class. In our opinion, the information included for the prior period contains sufficient detail to constitute a fair presentation in conformity with generally accepted accounting principles. The Permanently Restricted activity for the fiscal year ended September 30, 2016 was \$480. The Permanently Restricted activity for the fiscal year ended September 30, 2015 was \$613.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and any difference could be significant.

Note C – Concentration of Risk

Financial instruments that subject the Society to concentrations or risk consist of deposits with bank institutions that exceed the Federal insurance available for such accounts. As of neither September 30, 2016 nor September 30, 2015, did the Society have any cash, money market and certificate accounts in excess of Federal insurance amounts. The amount at risk fluctuates daily. The Society does not anticipate any loss on these balances.

Note D – Marketable Securities

The Society's investments are reported at fair value in the accompanying statements of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

U.S. generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Quoted market prices in active markets for identical assets or liabilities. An active market for the assets or liability is a market in which the transaction for the asset or liability occurs with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data, such as quoted prices for similar assets or liabilities or model-derived valuations.

Level 3: Unobservable inputs that are not corroborated by market data. These inputs reflect a company's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

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.

The following schedule presents the Society's investments by level within the fair value hierarchy as of September 30, 2016 and 2015:

	Assets at Fair Value as of September 30, 2016			
	Level 1	Level 2	Level 3	Total
Government Securities	\$16,032	-	-	\$16,032
Mutual Funds	550,729			550,729
Certificates of Deposit	-	699,908	-	699,908
Total Investments	\$566,761	699,908	-	\$1,266,669

	Assets at Fair Value as of September 30, 2015			
	Level 1	Level 2	Level 3	Total
Government Securities	\$15,408	-	-	\$15,408
Mutual Funds	478,234			478,234
Certificates of Deposit	-	901,318	-	901,318
Total Investments	\$493,642	901,318	-	\$1,394,960

For the years ended September 30, 2016 and 2015, the Society's investments appreciated(depreciated) in value by \$11,576 and \$(9,502) respectively, as follows:

	<u>2016</u>	<u>2015</u>
Investments at Fair Value as Determined by Level 1 Measurements		
Cash, Government Securities, Money Market and Mutual Funds	\$11,576	\$(9,502)
Investments at Fair Value as Determined by Level 2 Measurements		
Certificates of Deposit	-	-
Investments at Fair Value as Determined by Level 3 Measurements		
None	-	-
Net Change in Fair Value	\$11,576	\$(9,502)

The Society's marketable securities, which consist of mutual funds and a United States Savings Bond, are reported at fair value with any unrealized gain or loss included as a component of investment income. The Savings Bond is due to mature in January 2023. As of September 30, 2016, the Society's bond had an initial issue price and cost basis of \$5,000 and a fair value based upon published market values of approximately \$16,032. The Society recognized unrealized gains on the bond of \$624 and \$600 for the fiscal years ended September 30, 2016 and September 30, 2015, respectively. The Society recognized unrealized gains (losses) on the mutual funds of \$10,952 and (\$10,102) for the fiscal years ended September 30, 2016 and September 30, 2015, respectively. The components of investment income for the fiscal years ended September 30, 2016 and September 30, 2015, respectively consist of realized interest and dividends of \$29,670 and \$4,346, in addition to the unrealized gains (losses).

Note E – Personnel Costs

Personnel costs are allocated to the program and supporting services benefited in accordance with the Society's policies.

Note F – Operating Lease

The Society leases office space under a noncancelable operating lease that expires on January 31, 2018. The lease requires total minimum monthly lease payments of approximately \$3,430 over original terms of approximately 60-months. As of February 1, 2017, the minimum monthly lease payment is \$4,331.86 per month. Rent expense incurred by the Society totaled \$51,642 and \$50,630 for the fiscal years ended September 30, 2016 and September 30, 2015, respectively. Future minimum rental payments under the noncancelable operating lease agreements are as follows for the fiscal year ended September 30:

FYE	9/30/17	\$51,982
FYE	9/30/18	17,327

Note G – Permanently Restricted Net Assets

The Society's permanently restricted net assets consist of amounts contributed to the 2nd Century Endowment Fund and earnings thereon as stipulated with the contributors. The Endowment Fund was established with the goal of raising \$1,000,000 to ensure the future viability of the Society and its programs. Funds were contributed to the Endowment Fund with the understanding that no principal or income will be spent until the endowment reaches \$150,000 at which time 80% of the interest may be spent on programs as approved by the Board of Directors. After the Endowment reaches \$1,000,000, 100% of the interest may be spent on programs as approved by the Board of Directors. The Endowment Fund's balance as of September 30, 2016 and September 30, 2015 was \$21,615 and \$21,135, respectively.

Note H – Retirement Plan

The Society maintains a 401(k)-retirement plan covering substantially all employees meeting certain minimum requirements. Eligible employees may make tax-deferred contributions to the plan and participate in employer contributions. The Society adopted a safe-harbor matching provision in which the Society makes matching contributions equal to 50% of the participant's elective deferrals which do not exceed 6% of the participating employee's compensation. Participants are immediately vested in the safe harbor matching contributions.

The Society made safe harbor matching contributions totaling \$10,543 to the plan during the fiscal year ended September 30, 2016 and \$8,329 to the plan during the fiscal year ended September 30, 2015.

Note I – Contingencies & Commitments

Hotel Contracts: The Society has contracts with hotels and conference centers for future meetings and conferences. These contracts contain cancellation clauses that require the Society to pay certain liquidating damages in the event of cancellation. The amount of damages varies depending upon the date of cancellation, numbers of rooms reserved, percentage of rooms resold by the hotel, etc. Also, in the event of cancellation, the Society risks forfeiture of any deposits held by the hotels. The Society obtains cancellation insurance for its annual conference.

Editorial Contracts: The Society has several contracts with editors for its newsletters and periodicals. The contracts have varying terms and contain performance and standards of conduct and other clauses designed to protect the Society's best interest. In the event of cancellation of its newsletters or periodicals, the Society may be contractually liable to the editor for compensation defined in the contract.

Note J – Unrelated Business Income Taxes

The Society obtained a favorable tax determination letter setting forth its exemption under Section 501(c)(3) of the IRC. However, activities unrelated to the tax exemptions, such as publication advertising, are subject to income taxes. The Society has accumulated net operating losses totaling approximately \$67,000 as of September 30, 2016 and \$56,000, as of September 30, 2015.

These net operating loss deductions may be carried forward to offset any taxable income from unrelated business activities through the fiscal year ending September 30, 2036. Management is currently unable to determine if or when the Society may benefit from the net operating loss deductions and, therefore, any potential deferred tax asset is fully reserved by a valuation allowance. The Society recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. There are no income tax positions that The Society does not believe would be sustained. No income

tax expense was reflected by the Society in the accompanying financial statements for the fiscal years ended September 30, 2016 or September 30, 2015.

Accounting principles generally accepted in the United States of America require management to evaluate uncertain tax positions taken by the Society and recognize a tax liability (or asset) if the Society takes a position that is more likely than not to be sustained upon examination. Management has concluded that there are no uncertain positions taken or expected to be taken for the year ended September 30, 2016.

The Society can be subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Society is not subject to income tax examinations prior to the year ended September 30, 2012.

Note K – Subsequent Events

The Society has evaluated subsequent events through the date the financial statements were issued, May 1, 2017.

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Independent Auditors' Report on Other Supplemental Financial Information

Board of Directors
National Genealogical Society
Arlington, Virginia

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplementary financial information included on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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.

Bourne, Painter & Bradley, P.C.

Bourne, Painter & Bradley, P.C.

NATIONAL GENEALOGICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2016

	Conferences & Meetings	Educational Services	NGS Quarterly Publication	NGS News Magazine	Membership Programs	Research Trips	Bookstore Costs	Management & General	Total
Accounting Fees								6,932	6,932
Advertising, Decorating & Promotion	44,441							1,797	46,238
Audio Visual & Equipment Rental	12,050							9,217	21,267
Bank and Credit Card Fees	13,109				13,743			905	27,757
Board Expense	499							8,998	9,497
Compensation	97,048	105,458			30,555			189,338	449,189
Cost of Sales							26,790		24,757
Course & Research Materials		9,047				17			9,064
Depreciation								1,705	1,705
Education Consultant		(8,781)							(8,781)
Hotel, Catering, & Shuttle Buses	101,854					53,962			155,816
Insurance	2,133								9,021
Internet Fees	14,076				343				14,076
Investment Fees								5,608	5,608
Live Streaming	18,398								18,398
Marketing & Graphic Design Fees	15,946	385			234	245	5,095	1,995	23,900
Materials & Supplies	5,198	111			17		417	7,152	12,895
Misc Services	12,375			2,491				1,896	16,762
Postage, Shipping & Handling	12,488	379	14,581	15,276	4,752		13,903	603	61,982
Printing & Reproduction	14,951		35,621	24,121	10,845			285	85,823
Publishing			91,387	40,100			11,950		143,437
Rent								51,642	51,642
Speaker Fees	51,236								51,236
Subscriptions					12,500			1,392	13,892
Technology & Website	38,302	18,597	395	580	43,003	1,976	1,327	38,135	142,315
Telephone								8,455	8,455
Travel	35,204					2,400		91	37,695
Workshops & Tours	8,307								8,307
Other Costs	6,284	-	-	-	750	550	10,080	4,025	21,689
	503,899	125,196	141,984	82,568	116,742	59,150	94,319	346,716	1,470,574

See accompanying auditors' report and notes to financial statements.

Detail of Other Costs - For information only

Awards Program		659							659
CD royalty expense	3,500								3,500
Book Royalties							6,966		6,966
Graphic Design							693		693
Taxes & Licenses							715	1,539	2,254
Payroll Processing Fees			44					1,427	1,471
Trademark/Legal fees								395	395
Misc						570		1,062	1,632
Regional conference fees	3,956								3,956
Other	(1,172)		(44)		91	(20)	1,706	(398)	163
	6,284	-	-	-	750	550	10,080	4,025	21,689