

**NATIONAL SPACE SOCIETY**

**AUDITED FINANCIAL STATEMENTS**

For the Years Ended December 31, 2013 and 2012

**NATIONAL SPACE SOCIETY**  
**AUDITED FINANCIAL STATEMENTS**  
December 31, 2013 and 2012

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
**National Space Society**  
Washington, DC

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the **National Space Society** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management 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 these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 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.

To the Board of Directors of  
National Space Society  
Washington, DC

**INDEPENDENT AUDITORS' REPORT (Continued)**

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **National Space Society** as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 15-16 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Sydney Rottenberg-Coyden, P.A.*

Rockville, Maryland  
September 30, 2014

**NATIONAL SPACE SOCIETY**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2013 and 2012

**ASSETS**

**CURRENT ASSETS**

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents -- NOTES A, B and D	\$ 106,318	\$ 86,922
Accounts receivable, net -- NOTE A	15,847	25,463
Prepaid expenses	<u>1,355</u>	<u>233</u>
<b>TOTAL CURRENT ASSETS</b>	<u>123,520</u>	<u>112,618</u>

**PROPERTY AND EQUIPMENT -- NOTE A**

Computers and office equipment	1,612	1,612
Less: Accumulated depreciation	<u>(1,074)</u>	<u>(537)</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	538	1,075

**OTHER ASSETS**

Investments -- NOTES A, C, and D	<u>93,307</u>	<u>72,265</u>
<b>TOTAL ASSETS</b>	<u>\$ 217,365</u>	<u>\$ 185,958</u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable - trade	\$ 49,729	\$ 64,021
Accrued expenses	330	304
Deferred revenue -- NOTE A	36,369	43,216
Other current liabilities	<u>12,000</u>	<u>13,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>98,428</u>	<u>120,541</u>

**COMMITMENTS AND CONTINGENCIES -- NOTES D and G**

**NET ASSETS -- NOTES A and E**

Unrestricted net assets	<u>118,937</u>	<u>65,417</u>
<b>TOTAL NET ASSETS</b>	<u>118,937</u>	<u>65,417</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 217,365</u>	<u>\$ 185,958</u>

See Notes to Financial Statements

**NATIONAL SPACE SOCIETY**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2013

	December 31, 2013			
	Unrestricted	Temporarily Restricted	Total	%
<b>REVENUES -- NOTE A</b>				
Membership	\$ 344,242	\$ 0	\$ 344,242	48.4
Contributions and grants	195,769	0	195,769	27.5
Conference	139,726	0	139,726	19.6
Investment income	1,725	0	1,725	0.2
List rental, advertising and royalties	1,057	0	1,057	0.2
Publications	38	0	38	0.0
Bequests	10,000	0	10,000	1.4
Other revenue	3,120	0	3,120	0.4
Realized/unrealized gain on investments -- NOTE C	16,198	0	16,198	2.3
Net assets released from restrictions:				
Satisfaction of program restrictions -- NOTES A and E	0	0	0	0.0
<b>TOTAL REVENUES</b>	<u>711,875</u>	<u>0</u>	<u>711,875</u>	<u>100.0</u>
<b>EXPENSES -- NOTE A</b>				
<b>PROGRAM EXPENSES</b>				
Education and communication	483,850	0	483,850	68.0
Policy and research	115,262	0	115,262	16.2
<b>TOTAL PROGRAM EXPENSES</b>	<u>599,112</u>	<u>0</u>	<u>599,112</u>	<u>84.2</u>
<b>SUPPORTING SERVICES</b>				
Management and general	46,414	0	46,414	6.5
Fundraising	12,829	0	12,829	1.8
<b>TOTAL SUPPORTING SERVICES</b>	<u>59,243</u>	<u>0</u>	<u>59,243</u>	<u>8.3</u>
<b>TOTAL EXPENSES</b>	<u>658,355</u>	<u>0</u>	<u>658,355</u>	<u>92.5</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	53,520	0	53,520	<u>7.5</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>65,417</u>	<u>0</u>	<u>65,417</u>	
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 118,937</u>	<u>\$ 0</u>	<u>\$ 118,937</u>	

See Notes to Financial Statements

**NATIONAL SPACE SOCIETY**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2012

	December 31, 2012			
	Unrestricted	Temporarily Restricted	Total	%
<b>REVENUES -- NOTE A</b>				
Membership	\$ 373,981	\$ 0	\$ 373,981	40.0
Contributions and grants	244,888	0	244,888	26.2
Conference	155,073	0	155,073	16.6
Investment income	944	0	944	0.1
List rental, advertising and royalties	3,603	0	3,603	0.4
Publications	568	0	568	0.0
Bequests	150,000	0	150,000	16.0
Other revenue	122	0	122	0.0
Realized/unrealized gain on investments -- NOTE C	6,305	0	6,305	0.7
Net assets released from restrictions:				
Satisfaction of program restrictions -- NOTES A and E	0	0	0	0.0
<b>TOTAL REVENUES</b>	<u>935,484</u>	<u>0</u>	<u>935,484</u>	<u>100.0</u>
<b>EXPENSES -- NOTE A</b>				
<b>PROGRAM EXPENSES</b>				
Education and communication	686,809	0	686,809	73.4
Policy and research	143,051	0	143,051	15.3
<b>TOTAL PROGRAM EXPENSES</b>	<u>829,860</u>	<u>0</u>	<u>829,860</u>	<u>88.7</u>
<b>SUPPORTING SERVICES</b>				
Management and general	94,806	0	94,806	10.1
Fundraising	11,468	0	11,468	1.3
<b>TOTAL SUPPORTING SERVICES</b>	<u>106,274</u>	<u>0</u>	<u>106,274</u>	<u>11.4</u>
<b>TOTAL EXPENSES</b>	<u>936,134</u>	<u>0</u>	<u>936,134</u>	<u>100.1</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(650)	0	(650)	<u>(0.1)</u>
<b>NET ASSETS AT</b>				
<b>BEGINNING OF YEAR</b>				
	<u>66,067</u>	<u>0</u>	<u>66,067</u>	
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 65,417</u>	<u>\$ 0</u>	<u>\$ 65,417</u>	

See Notes to Financial Statements

**NATIONAL SPACE SOCIETY**  
**STATEMENTS OF CASH FLOWS**  
Year Ended December 31, 2013

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	2013	2012
Increase (decrease) in net assets	\$ 53,520	\$ (650)
Adjustments to reconcile change in net assets to net cash provided (used) in operating activities:		
Depreciation expense	537	537
Unrealized (gain) loss on investments -- NOTE C	(15,446)	(7,299)
(Increase) decrease in operating assets		
Accounts receivable	9,616	16,132
Prepaid expenses	(1,122)	813
Increase (decrease) in operating liabilities		
Accounts payable	(14,292)	38,069
Accrued expenses	26	(3,700)
Deferred revenue	(6,847)	(3,762)
Other current liabilities	(1,000)	(300)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>24,992</b>	<b>39,840</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of marketable securities	12,385	9,989
Purchases of marketable securities available for sale	(17,981)	(4,152)
Purchases of property and equipment	0	(1,612)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(5,596)</b>	<b>4,225</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>19,396</b>	<b>44,065</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b>86,922</b>	<b>42,857</b>
<b>ENDING CASH AND CASH EQUIVALENTS -- NOTES A, B and D</b>	<b>\$ 106,318</b>	<b>\$ 86,922</b>

*See Note F for supplemental cash flows statements disclosures*



## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the National Space Society (the "Society") is presented to assist in understanding the Society's financial statements. The financial statements and notes are representations of the Society's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America, and have been consistently applied in the preparation of the financial statements.

### **Purpose of the Society:**

The Society is an educational, non-profit membership organization dedicated to the creation of a space faring civilization. The Society was formed under the laws of the District of Columbia on June 13, 1974. The Society's vision is of "People living and working in thriving communities beyond the Earth, and the use of the vast resources of space for the dramatic betterment of humanity." To meet this vision, the Society has as its mission statement, "to promote social, economic, technological, and political change in order to expand civilization beyond Earth, to settle space and to use the resulting resources to build a hopeful and prosperous future for humanity."

### **The Society's significant accounting policies are as follows:**

#### **Basis of Accounting:**

The financial statements of the Society have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

#### **ASC Codification:**

During June 2009, the FASB issued SFAS No. 168 "*The FASB Accounting Standards Codification (ASC) and the Hierarchy of Generally Accepted Accounting Principles - A Replacement of FASB Statement No. 162,*" (now codified within ASC No. 105, Generally Accepted Accounting Principles (GAAP) (ASC No. 105)). ASC No. 105 establishes the Codification as the single source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. All guidance contained in the Codification carries an equal level of authority. Following this statement, FASB will not issue new standards in the form of statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates, which will serve only to: (1) update the Codification; (2) provide background information about the guidance; and (3) provide the bases for conclusions on the change(s) in the Codification. ASC No. 105 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of ASC No. 105 did not have any impact on the results of operations or financial position.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation:**

Financial statement presentation follows the recommendations of the FASB ASC 958-205-55, *Not-for-Profit Entities—Presentation of Financial Statements—Implementation Guidance and Illustrations*. Under FASB ASC 958-205-55, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. Support that is temporarily restricted by the donor is reclassified to unrestricted net assets when the time restriction, if any expires and/or the purpose of the restriction is accomplished.

**Income Tax Status:**

The Society is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from activities not directly related to the Society's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Society qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

During the year ended December 31, 2009, the Society adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in ASC Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and de-recognition of tax positions taken or expected to be taken in a tax return. The Society performed an evaluation of uncertain tax positions for the year ended December 31, 2013, and determined that there were no material matters that would require recognition in the financial statements or that may have an effect on its tax-exempt status.

As of December 31, 2013, the statute of limitations for the Form 990 for years 2010-2012 remains open with the Internal Revenue Service. It is the Society's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

**Cash and Cash Equivalents:**

For purposes of the statement of cash flows, the Society considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The cash and cash equivalents balance consists of unrestricted amounts as of December 31, 2013 and 2012.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Member Dues and Other Receivables:**

Member dues and other accounts receivable from members are stated at net realizable value. Management considers all accounts to be essentially collectible, and therefore no allowance for doubtful accounts has been established as of December 31, 2013.

**Revenue Recognition and Deferred Revenue:**

Revenues are recognized during the period to which they relate. Therefore revenues collected in advance are reflected as deferred revenue on the statements of financial position.

**Net Asset Classification:**

The Society has elected to adopt Accounting Standards Codification (ASC) 958 Not-for-Profit Entities (formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*). Under FASB ASC 958-205, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Permanently restricted net assets contain donor-imposed restrictions that require that contributed funds be maintained by the Society in perpetuity. The Society has no permanently restricted net assets as of December 31, 2013 and 2012. Temporarily restricted net assets contain donor-imposed use limits on contributed funds that relate to specific periods of time or specified purposes. The Society has no temporarily restricted net assets as of December 31, 2013 and 2012. Unrestricted net assets are funds received that do not include any restriction as to the use by the donor. The Society's Board may subsequently designate unrestricted net assets for a specified purpose.

**Contributions and Grants:**

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year the notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions.

**Property, Equipment and Depreciation:**

The Society capitalizes all expenditures for property and equipment in excess of \$1,000. Purchased property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets for financial reporting purposes, while accelerated methods are used for income tax reporting purposes.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments:**

The Society has adopted Accounting Standards Codification (ASC) 958 Not-for-Profit Entities (formerly Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*). Under FASB ASC 958-320, investments in marketable equity securities with readily determinable fair values and all investments in marketable debt securities are valued at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets.

**Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Functional Allocation of Expenses:**

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

**NOTE B - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at December 31, 2013 and 2012, consist of the following:

	<u>2013</u>	<u>2012</u>
Demand deposits	\$ 104,699	\$ 80,104
Money market funds	<u>1,619</u>	<u>6,818</u>
Total cash and cash equivalents	<u>\$ 106,318</u>	<u>\$ 86,922</u>

**NOTE C – INVESTMENTS**

The Society invests in equity securities, debt securities (bond funds), and corporate debt securities. Primary emphasis is placed on long-term growth of income and principal through the use of equities. Secondary emphasis is placed on the generation of a high level of income and the preservation of capital through fixed income investments. Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions (all level 1 measurements).

NATIONAL SPACE SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013 and 2012

**NOTE C – INVESTMENTS (Continued)**

Investments at December 31, 2013 are comprised of the following:

	<u>Fair Value</u>
Bonds	\$ 20,546
Common stocks	<u>72,761</u>
Total investments	<u>\$ 93,307</u>

Net gain (loss) on market value of securities is summarized as follows:

Net realized gain (loss) on sales of investments	\$ 752
Net unrealized gain (loss) on market changes in investments	<u>15,446</u>
	<u>\$ 16,198</u>

Investments at December 31, 2012 are comprised of the following:

	<u>Fair Value</u>
Bonds	\$ 16,297
Common stocks and options	<u>55,968</u>
Total investments	<u>\$ 72,265</u>

Net gain (loss) on market value of securities is summarized as follows:

Net realized gain (loss) on sales of investments	\$ (994)
Net unrealized gain (loss) on market changes in investments	<u>7,299</u>
	<u>\$ 6,305</u>

**NOTE D – COMMITMENTS AND CONTINGENCIES**

**Concentrations of Credit Risk:**

Financial instruments that potentially subject the Society to concentrations of credit risk consist principally of cash held with banks and brokers in excess of the insurance limitations of the Federal Deposit Insurance Corporation (FDIC) and/or the Securities Investor Protection Corporation (SIPC). The Society does not have any concentration of credit risk as of December 31, 2013.

**NOTE D – COMMITMENTS AND CONTINGENCIES (Continued)**

**Management Services and Headquarters:**

On January 1, 2012, the Society renewed its contract agreement with Association Management Strategies (AMS) where AMS is to provide management services for a fee of \$8,031 per month. This agreement expired on December 31, 2012. On January 1, 2013 the Society renewed its agreement with AMS where AMS is to provide management services for a fee of \$8,031 per month which continued through December 31, 2013 at which time the agreement expired. In addition, on March 19, 2013 the Society entered into a contract addendum where AMS is to provide Director of Operations services for an additional fee of \$2,500 per month, which was later updated to \$750 per month. The additional agreement is effective March 20, 2013 and continued through December 31, 2013 at which time it expired. The Society entered into a new management agreement for fiscal year 2014. (See NOTE G – SUBSEQUENT EVENT). The Society's Director of Operations was a paid employee of AMS during the fiscal year ended December 31, 2013. Total management fees paid to AMS during the years ended December 31, 2013 and December 31, 2012 amounted to \$111,097 and \$96,372, respectively.

**Fair Value of Financial Instruments:**

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 – These inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Society has the ability to access.

Level 2 – These are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, default rates and other similar data.

Level 3 – These are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Society's own data.

**NOTE D – COMMITMENTS AND CONTINGENCIES (Continued)**

**Fair Value of Financial Instruments (Continued):**

The Society estimates that the fair value of all financial instruments at December 31, 2013 and 2012 do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position.

**Fair Value Measurements on a Recurring Basis  
 As of December 31, 2013**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	<u>\$ 93,307</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 93,307</u>

**Fair Value Measurements on a Recurring Basis  
 As of December 31, 2012**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	<u>\$ 72,265</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 72,265</u>

**Employment Agreement – Executive Director:**

On January 1, 2012 the Society entered into an employment agreement with the Executive Director of the Society which continued through December 31, 2012 at which time the agreement expired. The Executive Director was employed on an at-will basis and earned an annual base salary of \$90,000. Based on meeting certain performance objectives, the Executive Director was entitled to an annual bonus. A bonus in the amount of \$3,962 was accrued as of December 31, 2012. The contract agreement with the Executive Director was not renewed at the time of its expiration.

**NOTE E – TEMPORARILY RESTRICTED NET ASSETS**

It is the Society’s policy to release temporarily restricted net assets in the period in which the restriction is satisfied. There were no temporarily restricted net assets at December 31, 2013 and December 31, 2012.

**NOTE F – SUPPLEMENTAL CASH FLOWS STATEMENTS DISCLOSURES**

Supplemental disclosure of consolidated cash flows information:

Cash paid during year ended December 31, 2013 for:

Interest	\$ 0
Income taxes	\$ 0

Cash paid during year ended December 31, 2012 for:

Interest	\$ 0
Income taxes	\$ 0

**NOTE G – SUBSEQUENT EVENTS**

In preparing the financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through September 30, 2014, the date of the audit report.

**Management Services and Headquarters:**

Effective January 1, 2014, the Society renewed its contract agreement with Association Management Strategies (AMS), to provide management services for a fee of \$8,031 per month. This agreement will continue through December 31, 2014, at which time the agreement will expire.



NATIONAL SPACE SOCIETY  
SCHEDULE OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2013

	Program Services			Supporting Services			Total Expenses
	Education and Communication	Policy and Research	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Accommodations and meals	\$ 829	0	\$ 829	\$ 516	0	\$ 516	\$ 1,345
Accounting and legal	17,840	7,646	25,486	2,184	1,456	3,640	29,126
Advertising	0	0	0	0	0	0	0
Association - management fee and facility expense - NOTE D	68,047	29,163	97,210	8,332	5,555	13,887	111,097
Authors and artwork	5,050	0	5,050	0	0	0	5,050
Bad debt expense	0	0	0	5,600	0	5,600	5,600
Bank charges	0	0	0	1,357	0	1,357	1,357
Building expense	5,863	0	5,863	1,954	0	1,954	7,817
Computer services	12,647	0	12,647	3,444	0	3,444	16,091
Conferences and registration expenses	140,211	0	140,211	0	0	0	140,211
Contract services	1,500	0	1,500	500	0	500	2,000
Copy service	51	0	51	17	0	17	68
Cost of books sold	1,352	0	1,352	0	0	0	1,352
Courier	0	0	0	1,806	0	1,806	1,806
Credit card fees	0	0	0	7,289	0	7,289	7,289
Depreciation	0	0	0	537	0	537	537
Design and layout	52,414	0	52,414	0	0	0	52,414
Dues and subscriptions	0	0	0	0	0	0	0
Equipment purchase	0	0	0	0	0	0	0
Email list management	3,220	0	3,220	0	0	0	3,220
Employee recruiting	0	0	0	0	0	0	0
Express / overnight delivery	2,346	1,005	3,351	288	191	479	3,830
Insurance	3,827	1,640	5,467	470	312	782	6,249
Interest expense	0	0	0	62	0	62	62
Mailing services	0	34,840	34,840	0	0	0	34,840
Meals	1,903	0	1,903	633	0	633	2,536
Miscellaneous	0	0	0	1,809	0	1,809	1,809
Office supplies	0	0	0	235	0	235	235
Parking	0	0	0	0	0	0	0
PayPal expenses	4,049	0	4,049	0	0	0	4,049
Payroll and related taxes	8,115	3,478	11,593	994	663	1,657	13,250
Postage and delivery	16,407	16,445	32,852	852	869	1,721	34,573
Press/public relations	0	0	0	0	0	0	0
Printing and copying services	51,365	21,035	72,400	274	1,168	1,442	73,842
Projects	60,041	0	60,041	0	0	0	60,041
Recruitment incentives	0	10	10	0	0	0	10
Refunds	3,260	0	3,260	0	0	0	3,260
Shipping and handling	0	0	0	0	0	0	0
Scholarships	5,000	0	5,000	0	0	0	5,000
Software	0	0	0	0	0	0	0
State registrations	10,461	0	10,461	0	2,615	2,615	13,076
Teleconference, telephone and telemarketing expense	0	0	0	4,577	0	4,577	4,577
Temporary help	6,413	0	6,413	2,137	0	2,137	8,550
Travel/transportation	1,208	0	1,208	403	0	403	1,611
Video	431	0	431	144	0	144	575
<b>TOTAL</b>	<b>\$ 483,850</b>	<b>\$ 115,262</b>	<b>\$ 599,112</b>	<b>\$ 46,414</b>	<b>\$ 12,829</b>	<b>\$ 59,243</b>	<b>\$ 658,355</b>

NATIONAL SPACE SOCIETY  
SCHEDULE OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2012

	Program Services			Supporting Services			Total Expenses
	Education and Communication	Policy and Research	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Accommodations and meals	0	\$ 150	\$ 150	\$ 7,324	0	\$ 7,324	\$ 7,474
Accounting and legal	12,677	5,433	18,110	1,552	1,035	2,587	20,697
Advertising	0	0	0	3,000	0	3,000	3,000
Association - management fee and facility expense - NOTE D	59,028	25,298	84,326	7,228	4,818	12,046	96,372
Authors and artwork	4,727	0	4,727	0	0	0	4,727
Bad debt expense	0	0	0	10,890	0	10,890	10,890
Bank charges	0	0	0	1,601	0	1,601	1,601
Building expense	1,279	0	1,279	6,980	0	6,980	8,259
Computer services	13,667	0	13,667	245	0	245	13,912
Conferences and registration expenses	259,937	0	259,937	(383)	0	(383)	259,554
Contract services	0	0	0	3,962	0	3,962	3,962
Copy service	314	0	314	104	0	104	418
Cost of books sold	0	0	0	0	0	0	0
Courier	988	989	1,977	0	0	0	1,977
Credit card fees	0	0	0	10,809	0	10,809	10,809
Depreciation	0	0	0	537	0	537	537
Design and layout	32,878	0	32,878	0	0	0	32,878
Dues and subscriptions	0	100	100	179	0	179	279
Equipment purchase	0	0	0	0	0	0	0
Email list management	3,060	0	3,060	0	0	0	3,060
Employee recruiting	0	0	0	0	0	0	0
Express / overnight delivery	0	0	0	2,467	0	2,467	2,467
Insurance	4,401	1,886	6,287	539	359	898	7,185
Interest expense	0	0	0	0	0	0	0
Mailing services	2,787	37,469	40,256	0	0	0	40,256
Meals	150	0	150	45	0	45	195
Miscellaneous	0	0	0	1,454	0	1,454	1,454
Office supplies	0	0	0	1,014	0	1,014	1,014
Parking	0	0	0	632	0	632	632
PayPal expenses	4,058	0	4,058	0	0	0	4,058
Payroll and related taxes	59,879	25,663	85,542	8,833	4,889	13,722	99,264
Postage and delivery	29,870	28,528	58,398	1,446	0	1,446	59,844
Press/public relations	0	0	0	0	0	0	0
Printing and copying services	126,022	15,897	141,919	551	367	918	142,837
Projects	56,689	0	56,689	0	0	0	56,689
Recruitment incentives	1,315	0	1,315	(63)	0	(63)	1,252
Refunds	5,234	55	5,289	(715)	0	(715)	4,574
Shipping and handling	299	0	299	0	0	0	299
Scholarships	5,000	0	5,000	0	0	0	5,000
Software	0	0	0	160	0	160	160
State registrations	0	0	0	3,703	0	3,703	3,703
Teleconference, telephone and telemarketing expense	0	0	0	5,152	0	5,152	5,152
Temporary help	2,200	1,124	3,324	2,250	0	2,250	5,574
Travel/transportation	0	459	459	13,060	0	13,060	13,519
Video	350	0	350	250	0	250	600
<b>TOTAL</b>	<b>\$ 686,809</b>	<b>\$ 143,051</b>	<b>\$ 829,860</b>	<b>\$ 94,806</b>	<b>\$ 11,468</b>	<b>\$ 106,274</b>	<b>\$ 936,134</b>

See Independent Auditors' Report