

THE GEOLOGICAL SOCIETY OF AMERICA, INC.
AND
THE GEOLOGICAL SOCIETY OF AMERICA
FOUNDATION, INC.

Combined Financial Statements As Of June 30, 2007
(With Summarized Financial Information For
The Year Ended June 30, 2006)

Together With Independent Auditors' Report

JDS professional
group
certified public accountants, consultants and advisors

INDEPENDENT AUDITORS' REPORT

To the Council and Board of Trustees
The Geological Society of America, Inc. and
The Geological Society of America Foundation, Inc.:

We have audited the accompanying combined statement of financial position of The Geological Society of America, Inc. and The Geological Society of America Foundation, Inc. (the "Organization") as of June 30, 2007 and the related combined statements of activities, and cash flows for the year then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year summarized comparative information has been derived from the Organization's June 30, 2006 financial statements which were audited by other auditors whose report dated August 24, 2006, expressed an unqualified opinion on those statements.

We conducted our audit 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 combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Geological Society of America, Inc. and The Geological Society of America Foundation, Inc. as of June 30, 2007, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The combined supplemental schedules of financial position and activities on page 17 and 18 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

JDS Professional Group

October 1, 2007

Members:

American Institute of Certified Public Accountants • Colorado Society of Certified Public Accountants
5670 Greenwood Plaza Blvd., Suite 200 • Greenwood Village, CO 80111-2405 • 303 771 0123 • 303 771 0078 fax

www.jdscpagroup.com

THE GEOLOGICAL SOCIETY OF AMERICA, INC.

Combined Statement Of Financial Position

As Of June 30, 2007

Page -3-

(With Summarized Financial Information As Of June 30, 2006)

	<u>2007</u>	<u>2006</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 314,252	\$ 533,171
Investments	2,589,043	2,236,198
Accounts receivable, net of allowance of \$67,456	258,772	165,609
Contributions receivable	173,718	176,633
Publications inventory	683,166	901,323
Prepaid expenses and other assets	<u>429,403</u>	<u>544,917</u>
Total Current Assets	4,448,354	4,557,851
Long-term investments	13,128,870	10,873,050
Restricted long-term investments	17,907,663	16,017,249
Long term contribution receivable, net	251,590	224,677
Beneficial interest in charitable trusts	985,515	967,619
Property and equipment, net of accumulated depreciation and amortization of \$2,886,421	<u>2,786,548</u>	<u>2,913,733</u>
TOTAL ASSETS	<u><u>\$ 39,508,540</u></u>	<u><u>\$ 35,554,179</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 429,833	\$ 219,032
Accrued expenses	123,066	106,423
Accrued liabilities	245,803	281,132
Deferred revenue	1,874,542	1,873,143
Current portion of bonds payable	210,000	200,000
Other liabilities	<u>6,095</u>	<u>6,411</u>
Total Current Liabilities	2,889,339	2,686,141
Bonds payable, net of current portion	<u>225,000</u>	<u>435,000</u>
Total Liabilities	<u>3,114,339</u>	<u>3,121,141</u>
Net Assets:		
Unrestricted -		
Designated for employee benefits	184,979	221,300
Undesignated	<u>16,890,736</u>	<u>14,825,561</u>
Total Unrestricted	17,075,715	15,046,861
Temporarily restricted	11,316,667	9,674,357
Permanently restricted	<u>8,001,819</u>	<u>7,711,820</u>
Total Net Assets	<u>36,394,201</u>	<u>32,433,038</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 39,508,540</u></u>	<u><u>\$ 35,554,179</u></u>

The accompanying notes are an integral part of the combined financial statements.

THE GEOLOGICAL SOCIETY OF AMERICA, INC.

Combined Statement Of Activities

For The Year Ended June 30, 2007

Page -4-

(With Summarized Financial Information For The Year Ended June 30, 2006)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2007 Total	2006 Total
Support And Revenue:					
Publications	\$ 4,268,290	\$	\$	\$ 4,268,290	\$ 3,925,804
Meetings	2,206,517			2,206,517	2,390,433
Membership dues and services	570,282			570,282	604,590
Sections and divisions	529,890			529,890	489,198
Grants	265,094			265,094	275,495
Contributions	296,382	294,680	274,242	865,304	861,283
Education and outreach	355,249			355,249	218,244
Change in value of split interest agreements		2,139	15,757	17,896	
Other revenue	93,896			93,896	128,200
Net Assets Released From Restriction:					
Satisfaction of program restrictions	769,448	(769,448)			
Total Support And Revenue	9,355,048	(472,629)	289,999	9,172,418	8,893,247
Expenses:					
Program services -					
Publications	2,672,162			2,672,162	2,453,245
Meetings	2,218,627			2,218,627	2,002,670
Membership	743,317			743,317	742,948
Sections and divisions	393,544			393,544	284,837
Grants and awards	1,053,313			1,053,313	1,038,563
Education and outreach	762,717			762,717	698,782
Total Program Services	7,843,680			7,843,680	7,221,045
Supporting services -					
Fundraising	266,384			266,384	156,531
General and administrative	2,157,893			2,157,893	2,009,184
Total Supporting Services	2,424,277			2,424,277	2,165,715
Total Expenses	10,267,957			10,267,957	9,386,760
CHANGE IN NET ASSETS BEFORE INVESTMENT EARNINGS					
	(912,909)	(472,629)	289,999	(1,095,539)	(493,513)
Interest and dividend income	177,188	1,453,157		1,630,345	1,289,128
Net realized gain on investments	770,809	175,756		946,565	691,077
Net unrealized gain on investments	1,993,766	486,026		2,479,792	1,132,333
Total investment income	2,941,763	2,114,939		5,056,702	3,112,538
CHANGE IN NET ASSETS	2,028,854	1,642,310	289,999	3,961,163	2,619,025
Net Assets, Beginning Of Year	15,046,861	9,674,357	7,711,820	32,433,038	29,814,013
NET ASSETS, END OF YEAR	\$ 17,075,715	\$ 11,316,667	\$ 8,001,819	\$ 36,394,201	\$ 32,433,038

The accompanying notes are an integral part of the combined financial statements.

THE GEOLOGICAL SOCIETY OF AMERICA, INC.

Combined Statement Of Cash Flows

For The Year Ended June 30, 2007

(With Summarized Financial Information For The Year Ended June 30, 2006)

Page -5-

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Cash received from grants and contributions	\$ 831,384	\$ 982,261
Cash received from publications	4,221,077	3,903,973
Cash received from meetings	2,255,752	2,291,453
Cash received from education and outreach	354,668	317,298
Cash received from dividends and interest	1,630,345	1,289,129
Other cash received	861,576	1,242,717
Interest paid	(18,982)	(20,323)
Cash paid to employees for salary and benefits	(3,776,947)	(3,672,668)
Cash paid to grant recipients	(1,164,333)	(1,038,561)
Cash paid to suppliers for publications	(1,199,212)	(1,219,956)
Cash paid to suppliers for meetings	(1,310,030)	(1,342,511)
Cash paid to suppliers for education and outreach	(303,428)	(229,136)
Cash paid to suppliers for fundraising	(142,015)	(82,597)
Other cash paid to suppliers	(1,401,475)	(1,536,825)
Net cash provided by operating activities	<u>838,380</u>	<u>884,254</u>
Cash flows from investing activities:		
Purchases of investments, net	(1,072,722)	(359,533)
Purchase of property and equipment	(43,304)	(552,149)
Net cash (used in) investing activities	<u>(1,116,026)</u>	<u>(911,682)</u>
Cash flows from financing activities:		
Bond issue costs	(15,515)	(17,318)
Payment on bonds	(200,000)	(190,000)
Contributions for long-term purposes	274,242	199,829
Net cash provided by (used in) financing activities	<u>58,727</u>	<u>(7,489)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(218,919)	(34,917)
Cash And Cash Equivalents, Beginning Of Year	<u>533,171</u>	<u>568,088</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 314,252</u>	<u>\$ 533,171</u>

The accompanying notes are an integral part of the combined financial statements.

THE GEOLOGICAL SOCIETY OF AMERICA, INC.

Combined Statement Of Cash Flows (Continued)

For The Year Ended June 30, 2007

Page -6-

(With Summarized Financial Information For The Year Ended June 30, 2006)

The reconciliation of the changes in net assets to net cash provided by operating activities follows:

	<u>2007</u>	<u>2006</u>
Change in net assets	\$ 3,961,163	\$ 2,619,025
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net realized and unrealized gain on investments	(3,426,357)	(1,823,410)
Writeoff of contribution receivable		40,000
Loss on disposal of asset	19,282	
Depreciation	151,207	136,246
Amortization of bond issue costs	24,097	26,149
Contributions restricted for long-term purposes	(274,242)	(199,829)
Change in value of split interest agreements	(17,896)	
Changes in operating assets and liabilities -		
(Increase) decrease in contributions receivable	(23,998)	5,313
(Increase) decrease in accounts receivable	(93,163)	30,328
Decrease in publications inventory	218,157	162,907
(Increase) decrease in prepaid expenses and other assets	106,932	(136,918)
Increase in accounts payable	210,801	27,651
Increase in accrued expenses	16,643	4,834
Increase (decrease) in accrued liabilities	(35,329)	23,011
Increase (decrease) in deferred revenue	1,399	(31,351)
Increase (decrease) in other liabilities	(316)	298
Net cash provided by operating activities	<u>\$ 838,380</u>	<u>\$ 884,254</u>

The accompanying notes are an integral part of the combined financial statements.

(1) **Reporting Entity**

The reporting entity referred to as the “Organization” includes the activities of two organizations, The Geological Society of America, Inc. (the “Society”) and The Geological Society of America Foundation, Inc. (the “Foundation”). All significant inter-company accounts and transactions have been eliminated in combination. The Society was incorporated in 1929 to advance the geosciences, to enhance the professional growth of its members, and to promote the geosciences in the service of humankind.

The Society activities include publishing and distributing scientific literature, awarding research grants, sponsoring scientific meetings, providing information and materials for kindergarten through twelfth grade science education and furnishing information to the public about earth science education and the environment. The Society is governed by a board of directors (the Council) elected by the Society’s members.

The activities of the Foundation have been included in these combined statements because of the Foundation's relationship with the Society. The Foundation is governed by a Board of Trustees appointed by the Board itself from a list of candidates approved by the Council of the Society. In addition, the Foundation cannot change certain portions of its governing documents without the Society’s approval. Furthermore, economic interest factors exist as defined under Statement of Position (SOP) 94-3.

The Foundation was founded in 1980 to provide endowment and fundraising resources to advance the mission of the Society. The majority of the Foundation's support and revenue is derived from contributions and investment income.

(2) **Summary Of Significant Accounting Policies**

Method Of Accounting

The financial statements of the Organization have been prepared on the accrual basis.

Basis Of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted amounts are those currently available at the discretion of the Council and the Board of Trustees for use in the Organization's operations and those resources invested in property and equipment.

Temporarily restricted amounts are monies restricted by donors to be used for various scientific programs, or specifically for certain time periods.

Permanently restricted amounts are assets that are required by donor restriction to be invested in perpetuity, the income from which is available for use in operations or various scientific programs in accordance with donor restrictions.

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 at the date of the financial statements and the reported amounts of support, revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash And Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio or otherwise encumbered. As of June 30, 2007, the Organization had cash of approximately \$228,000 in excess of FDIC limits.

Accounts Receivable

Accounts receivable are generated from the sales of the Organization's products and services. At the time accounts receivable are originated, the Organization considers an allowance for doubtful accounts based on the creditworthiness of the customer. The allowance is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future uncollectible amounts. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Organization on an ongoing basis.

Contributions Receivable

Contributions receivable are recorded at their net realizable value. Contributions receivable expected to be collected in future years are recorded at net present value. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledges are received. Amortization of the discount will be included in contribution revenue. Conditional contributions receivable are not included as support until the conditions are substantially met. The Organization records an allowance based on management's estimate of uncollectible amounts.

Publications Inventory

Publications inventory consists of books, maps, charts and other publications valued at the lower of cost or market. Cost is determined by the first-in, first-out method.

Investments

Investments in equity securities with readily determinable fair values and debt securities are recorded at their fair values in the statements of financial position. Investments in certificates of deposit are stated at cost which approximates market value. Investments in limited partnerships are valued at estimated fair value based upon the underlying net assets of the limited partnership. Because of the inherent uncertainty of valuation of these investments, fair values of the partnerships may differ from the values that would have been used had a ready market for these investments existed, and the differences could be material. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investments related to the balances of temporarily and permanently restricted net assets are segregated as restricted investments in the statements of financial position.

Property And Equipment

All property and equipment is stated at cost or if donated, at fair value at the date of transfer, and depreciated using the straight-line method over estimated useful lives which range from three to forty years. Expenditures for property and equipment that exceed \$5,000 are capitalized.

Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. The Organization looks primarily to the undiscounted future cash flows in its assessment of whether or not long-lived assets have been impaired.

Collections And Works Of Art

The Organization has various collections and works of art that are on exhibit at the headquarters building. Collection items acquired either through purchase or donation are not capitalized. Contributions of collection items are not recognized in the statements of activities. Proceeds from sales or insurance recoveries are classified on the statements of activities based on the absence or existence and nature of donor-imposed restrictions.

Deferred Revenue

Membership dues, conference registrations, subscriptions and other receipts relating to future periods are deferred and recognized as revenue in the applicable future period when the related services are rendered and expenses are incurred.

Bonds And Bond Issue Costs

The Organization records a liability for its bonds payable at the face amount of bonds outstanding. Issue costs associated with the bonds are capitalized and amortized over the life of the bonds, 16 years. Annual remarketing costs for the bonds are capitalized and amortized over a period of one year. The bond costs are recorded under other assets.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions.

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grants and Awards

Grants and awards are recorded as expenses when the recipients are notified. As of June 30, 2007, no accrual is reflected in the financial statements.

Functional Allocation Of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefitted. Salaries and related fringe benefits are allocated to all services based on actual time expended. Allocations of certain overhead costs are also allocated to services on a pro-rata basis of total direct expenses incurred.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2006, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year statements.

(3) Tax Exempt Status

The Society is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code except for amounts representing unrelated business income. The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization other than a private foundation under Section 509(a). As such, donors are entitled to a charitable deduction for their contribution to both the Society and Foundation.

Net Operating Loss Carryforwards

The Society is subject to tax on its net unrelated business taxable income. As of June 30, 2007, the Society has net operating loss carryforwards for losses generated through unrelated business taxable income activities totaling approximately \$102,000. These carryforwards expire in various years through 2026. The effect of these activities for the year ended June 30, 2007, is not expected to have a material impact on the Organization's financial position.

THE GEOLOGICAL SOCIETY OF AMERICA, INC.

Notes To Combined Financial Statements
For The Year Ended June 30, 2007

Page -12-

(4) **Investments**

As of June 30, 2007, investments consisted of the following:

Mutual funds -	
Corporate stocks	\$ 16,138,497
International equity funds	5,136,192
Corporate bonds	3,011,531
Floating interest rate bank loan funds	2,568,110
Commodity funds	2,456,841
Temporary cash investments	713,761
Certificate of deposit	25,650
Limited partnership - hedge funds	3,574,994
	<u>\$ 33,625,576</u>

Investments are presented on the Statement of Financial Position as of June 30, 2007 as follows:

Investments	\$ 2,589,043
Long-term investments	13,128,870
Restricted long-term investments	<u>17,907,663</u>
	<u>\$ 33,625,576</u>

(5) **Contributions Receivable And Concentration Of Credit Risk**

Contributions receivable consisted of the following unconditional promises to give as of June 30, 2007:

Due in less than one year	\$ 184,743
Due in one to five years	302,756
Due in more than five years	<u>200</u>
	487,699
Less unamortized discount on long-term contributions receivable	<u>(51,366)</u>
	436,333
Less allowance for uncollectible contributions	<u>(11,025)</u>
	425,308
Less current portion	<u>(173,718)</u>
Long-term contributions receivable	<u>\$ 251,590</u>

Concentration Of Credit Risk:

As of June 30, 2007, 56% of contributions receivable is from one donor.

(6) **Publications Inventory**

Publications inventory consisted of the following as of June 30, 2007:

Finished goods	\$ 525,202
Work in process	<u>157,964</u>
Total publications inventory	<u>\$ 683,166</u>

(7) **Property And Equipment**

Property and equipment consisted of the following as of June 30, 2007:

Land	\$ 428,065
Land improvements	89,557
Headquarters building and improvements	3,630,063
Residential property	145,344
Furniture and equipment	1,350,753
Vehicles	<u>9,187</u>
	5,652,969
Less: accumulated depreciation and amortization	<u>(2,866,421)</u>
Net property and equipment	<u>\$ 2,786,548</u>

Included in other revenue in the Statement of Activities for the year ended June 30, 2007, is a loss on disposal of an asset in the amount of (\$19,282) incurred by the Foundation.

(8) **Bonds Payable**

The Society issued bonds payable in the amount of \$2,355,000 dated December 15, 1992, due December 1, 2008, for the construction of an addition to the headquarters building for the Organization and to pay certain costs associated with the issuance of the bonds payable. The bonds are special limited obligations for Boulder County pursuant to the provisions of the County of Boulder and Municipality Development Revenue Bond Act, Article 3, Title 29, Colorado Revised Statutes, as amended.

THE GEOLOGICAL SOCIETY OF AMERICA, INC.

Notes To Combined Financial Statements
For The Year Ended June 30, 2007

Page -14-

The bonds bear interest at a "Reset Rate" (3.70% at June 30, 2007); the rate is adjusted annually as determined by the remarketing agent. The Society may also elect to have the bonds bear interest at a fixed or variable rate. Interest payable semi-annually on June 1 and December 1. Interest expense of \$18,537 was recorded in the financial statements for the year ended June 30, 2007.

Principal and interest payments are paid into a bond fund maintained by the trustee. Principal payments are due December 1 of each year as follows:

For the Year Ended June 30,

2008	\$ 210,000
2009	<u>225,000</u>
	<u>\$ 435,000</u>

In connection with this bond offering, the Organization entered into an irrevocable letter of credit with a financial institution as security for the bonds. The letter of credit is in the amount of unpaid bond principal plus accrued interest and would bear interest at prime plus 1% if exercised. The letter of credit expires on December 30, 2008. The bondholders have a first deed of trust and the financial institution has a second deed of trust on the Society's headquarters building and addition, vacant land owned by the Society and the residential property.

The Society incurred bond issue costs, which are being amortized on the straight-line method over the lives of the bonds. The Society also incurs annual bond remarketing costs, which are amortized over one year. Amortization expense of \$25,413 has been recognized for the year ended June 30, 2007.

Bond issue costs	\$ 137,570
Less accumulated amortization	<u>(124,672)</u>
	<u>12,898</u>
Annual bond costs - beginning of year	7,216
Annual bond costs	15,515
Less amortization expense	<u>(16,815)</u>
	<u>5,916</u>
	<u>\$ 18,814</u>

(9) **Line Of Credit**

The Organization entered into a line of credit agreement with a financial institution. The maximum principal available on the line of credit is \$300,000, and is uncollateralized. Outstanding principal was due at maturity on December 31, 2007, with interest due monthly at the prime rate plus 0.25% (8.50% as of June 30, 2007). There was no outstanding balance as of June 30, 2007.

(10) **Operating Leases**

The Organization leases equipment under non-cancelable operating leases with monthly payments totaling approximately \$7,900 that expire from 2008 through 2012. The equipment may be purchased at the termination of the lease for its fair value.

Future minimum lease payments as of June 30, 2007, are as follows:

For the Year Ended June 30,

2008	\$ 78,921
2009	67,803
2010	47,625
2011	19,638
2012	7,565
	<u>\$ 221,552</u>

Rent expense for operating leases was approximately \$95,000 for the year ended June 30, 2007.

(11) **Commitments**

Meeting Reservations

The Organization has entered into various contracts for reservation of meeting and convention area space for its annual meetings, to be held through October 2011, totaling approximately \$6,183,000. The maximum penalty for cancellation of these contracts as of June 30, 2007, was approximately \$1,838,000.

THE GEOLOGICAL SOCIETY OF AMERICA, INC.

Notes To Combined Financial Statements
For The Year Ended June 30, 2007

Page -16-

(12) **Restricted Net Assets**

Temporarily restricted net assets: Temporarily restricted net assets are restricted for the following purposes as of June 30, 2007:

Foundation -	
Research grants and awards	\$ 2,145,729
Travel support	924,329
Other GSA program support	928,998
Society -	
Research, study and education (Pardee)	7,218,529
Research grants (Lipman)	99,082
	<u>\$ 11,316,667</u>

Permanently restricted net assets: Permanently restricted net assets are to provide a permanent endowment, with investment income restricted for the following purposes as of June 30, 2007:

Foundation -	
Research grants and awards	\$ 3,920,241
Travel support	30,219
Other GSA program support	166,974
Society -	
Penrose endowment, earnings to be used for operations	3,884,385
	<u>\$ 8,001,819</u>

(13) **Pension Plan**

The Organization has a qualified defined contribution plan that consists of individual annuity policies. The plan is available to employees with at least six months of service. All contributions to the plan, including those made by the Organization, are fully vested to the employee. The Organization's contributions to the plan amounted to \$213,607 during the year ended June 30, 2007.

THE GEOLOGICAL SOCIETY OF AMERICA, INC.

Combined Supplemental Schedule Of Financial Position

As Of June 30, 2007

(With Summarized Financial Information For The Year Ended June 30, 2006)

	Society	Foundation	Eliminations
ASSETS			
Cash and cash equivalents	\$ 64,597	\$ 249,655	\$
Investments	1,615,067	973,976	
Accounts receivable, net	323,262	29,519	(94,009)
Contributions receivable	25,000	148,718	
Publications inventory	683,166		
Prepaid expenses and other assets	372,057	57,346	
Total Current Assets	<u>3,083,149</u>	<u>1,459,214</u>	<u>(94,009)</u>
Long-term investments	13,128,870		
Restricted long-term investments	11,130,756	6,776,907	
Long-term contributions receivable, net	46,240	205,350	
Beneficial interest in charitable trusts		985,515	
Property and equipment, net	<u>2,774,664</u>	<u>11,884</u>	
TOTAL ASSETS	<u>\$ 30,163,679</u>	<u>\$ 9,438,870</u>	<u>\$ (94,009)</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable	\$ 459,466	\$ 64,376	\$ (94,009)
Accrued expenses	123,066		
Accrued liabilities	215,795	30,008	
Deferred revenue	1,874,542		
Current portion of bonds payable	210,000		
Other liabilities	6,095		
Total Current liabilities	<u>2,888,964</u>	<u>94,384</u>	<u>(94,009)</u>
Bonds payable, net of current portion	<u>225,000</u>		
Total Liabilities	<u>\$ 3,113,964</u>	<u>\$ 94,384</u>	<u>\$ (94,009)</u>
Net Assets:			
Unrestricted -			
Designated for employee benefits	184,979		
Undesignated	15,662,740	1,227,996	
Total Unrestricted Net Assets	<u>15,847,719</u>	<u>1,227,996</u>	
Temporarily restricted	7,317,611	3,999,056	
Permanently restricted	3,884,385	4,117,434	
Total Net Assets	<u>27,049,715</u>	<u>9,344,486</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 30,163,679</u>	<u>\$ 9,438,870</u>	<u>\$ (94,009)</u>

Combined	
2007 Total	2006 Total
\$ 314,252	\$ 533,171
2,589,043	2,236,198
258,772	165,609
173,718	176,633
683,166	901,323
429,403	544,917
<u>4,448,354</u>	<u>4,557,851</u>
13,128,870	10,873,050
17,907,663	16,017,249
251,590	224,677
985,515	967,619
<u>2,786,548</u>	<u>2,913,733</u>
<u>\$ 39,508,540</u>	<u>\$ 35,554,179</u>
\$ 429,833	\$ 219,032
123,066	106,423
245,803	281,132
1,874,542	1,873,143
210,000	200,000
6,095	6,411
<u>2,889,339</u>	<u>2,686,141</u>
<u>225,000</u>	<u>435,000</u>
<u>\$ 3,114,339</u>	<u>\$ 3,121,141</u>
184,979	221,300
<u>16,890,736</u>	<u>14,825,561</u>
17,075,715	15,046,861
11,316,667	9,674,357
8,001,819	7,711,820
<u>36,394,201</u>	<u>32,433,038</u>
<u>\$ 39,508,540</u>	<u>\$ 35,554,179</u>

THE GEOLOGICAL SOCIETY OF AMERICA, INC.

Combined Supplemental Schedule Of Activities

For The Year Ended June 30, 2007

(With Summarized Financial Information For The Year Ended June 30, 2006)

	<u>Society</u>	<u>Foundation</u>
Support And Revenue:		
Publications	\$ 4,268,290	\$
Meetings	2,206,517	
Membership dues and services	570,282	
Sections and divisions	529,890	
Grants	265,094	
Contributions	685,437	1,129,097
Education and outreach	355,249	
Change in value of split interest agreements		17,896
Other revenue	113,178	(19,282)
Total Support And Revenue	<u>8,993,937</u>	<u>1,127,711</u>
Expenses:		
Program services -		
Publications	2,672,162	
Meetings	2,218,627	
Membership	743,317	
Sections and divisions	393,544	
Grants and awards	1,023,046	613,738
Education and outreach	762,717	
Total Program Services	<u>7,813,413</u>	<u>613,738</u>
Supporting services -		
Fundraising	8,667	257,717
General and administrative	2,075,609	448,043
Total Supporting Services	<u>2,084,276</u>	<u>705,760</u>
Total Expenses	<u>9,897,689</u>	<u>1,319,498</u>
CHANGES IN NET ASSETS BEFORE INVESTMENT EARNINGS	(903,752)	(191,787)
Interest and dividend income	1,247,540	382,805
Net realized gain on investments	740,374	206,191
Net unrealized gain on investments	1,944,617	535,175
Total investment income	<u>3,932,531</u>	<u>1,124,171</u>
CHANGES IN NET ASSETS	<u>\$ 3,028,779</u>	<u>\$ 932,384</u>

Eliminations	Combined	
	2007	2006
\$	\$ 4,268,290	\$ 3,925,804
	2,206,517	2,390,433
	570,282	604,590
	529,890	489,198
	265,094	275,495
(949,230)	865,304	861,283
	355,249	218,244
	17,896	
	93,896	128,200
<u>(949,230)</u>	<u>9,172,418</u>	<u>8,893,247</u>
	2,672,162	2,453,245
	2,218,627	2,002,670
	743,317	742,948
	393,544	284,837
(583,471)	1,053,313	1,038,563
	762,717	698,782
<u>(583,471)</u>	<u>7,843,680</u>	<u>7,221,045</u>
	266,384	156,531
<u>(365,759)</u>	<u>2,157,893</u>	<u>2,009,184</u>
<u>(365,759)</u>	<u>2,424,277</u>	<u>2,165,715</u>
<u>(949,230)</u>	<u>10,267,957</u>	<u>9,386,760</u>
	(1,095,539)	(493,513)
	1,630,345	1,289,128
	946,565	691,077
	2,479,792	1,132,333
	<u>5,056,702</u>	<u>3,112,538</u>
\$	\$ 3,961,163	\$ 2,619,025