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

Combined Financial Statements As Of June 30, 2010
(With Summarized Financial Information For
The Year Ended June 30, 2009)

Together With Independent Auditors' Report

JDS professional group
certified public accountants, consultants and advisors

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INDEPENDENT AUDITORS' REPORT

To the Council and Board of Trustees of
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, 2010, 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. We did not audit the financial statements of The Geological Society of America Foundation, Inc, which statements reflect total assets of $10,664,781 as of June 30, 2010, total liabilities of $141,799, total net assets of $10,522,982, total support and revenues of $1,790,539 and total expenses of $1,359,449 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included for The Geological Society of America Foundation, Inc, is based solely on the report of the other auditors.

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, 2010, 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 19 and 20 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

September 14, 2010

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

Combined Statement Of Financial Position
As Of June 30, 2010
(With Summarized Financial Information As Of June 30, 2009)

	2010	2009
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 421,098	$ 428,371
Investments	2,702,001	2,495,716
Accounts receivable, net of allowance of $18,134	242,437	294,292
Contributions receivable	61,954	177,468
Publications inventory	301,961	392,072
Prepaid expenses and other assets	283,707	436,878
Total Current Assets	4,013,158	4,224,797
Long-term investments	633,542	
Restricted long-term investments	26,100,579	23,061,878
Long term contribution receivable, net		1,576
Long term account receivable, net		46,667
Beneficial interest in charitable trusts	221,619	309,048
Property and equipment, net of accumulated depreciation and amortization of $3,307,403	2,493,920	2,690,651
TOTAL ASSETS	$ 33,462,818	$ 30,334,617
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 297,774	$ 316,098
Accrued expenses	73,353	181,227
Accrued liabilities	292,194	279,594
Deferred revenue	1,954,347	1,979,375
Line of credit		300,000
Other liabilities	6,397	10,242
Total Liabilities	2,624,065	3,066,536
Net Assets:		
Unrestricted -		
Designated for employee benefits	81,593	109,895
Undesignated	4,382,515	2,860,176
Total Unrestricted	4,464,108	2,970,071
Temporarily restricted	18,067,471	16,500,870
Permanently restricted	8,307,174	7,797,140
Total Net Assets	30,838,753	27,268,081
TOTAL LIABILITIES AND NET ASSETS	$ 33,462,818	$ 30,334,617

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

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

Combined Statement Of Activities
For The Year Ended June 30, 2010
(With Summarized Financial Information For The Year Ended June 30, 2009)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2010 Total	2009 Total
Support And Revenue:					
Publications	$ 3,878,831	$	$	$ 3,878,831	$ 4,108,531
Meetings	2,388,045			2,388,045	1,772,018
Membership dues and services	604,646			604,646	594,815
Sections and divisions	593,766			593,766	446,336
Grants	323,622			323,622	270,027
Contributions	661,590	146,312	505,000	1,312,902	2,252,296
Education and outreach	566,341			566,341	371,765
Change in value of split interest agreements		3,587	5,034	8,621	(2,490)
Other revenue	210,566			210,566	235,198
Net Assets Released From Restriction:					
Satisfaction of program restrictions	795,150	(795,150)			
Total Support And Revenue	10,022,557	(645,251)	510,034	9,887,340	10,048,496
Expenses:					
Program services -					
Publications	2,177,707			2,177,707	2,354,176
Meetings	1,955,948			1,955,948	1,869,535
Membership	673,001			673,001	686,778
Sections and divisions	375,448			375,448	329,097
Grants and awards	1,298,576			1,298,576	1,274,368
Education and outreach	724,857			724,857	746,069
Total Program Services	7,205,537			7,205,537	7,260,023
Supporting services -					
Fundraising	205,209			205,209	199,878
General and administrative	2,479,241			2,479,241	3,000,872
Total Supporting Services	2,684,450			2,684,450	3,200,750
Total Expenses	9,889,987			9,889,987	10,460,773
CHANGE IN NET ASSETS BEFORE INVESTMENT INCOME (LOSS)	132,570	(645,251)	510,034	(2,647)	(412,277)
Interest and dividend income	302,205	462,464		764,669	938,227
Net realized gain(loss) on investments	(535,951)	(799,245)		(1,335,196)	(468,813)
Net unrealized gain(loss) on investments	1,595,213	2,548,633		4,143,846	(7,793,986)
Total investment income(loss)	1,361,467	2,211,852		3,573,319	(7,324,572)
CHANGES IN NET ASSETS	1,494,037	1,566,601	510,034	3,570,672	(7,736,849)
Net Assets, Beginning Of Year	2,970,071	16,500,870	7,797,140	27,268,081	35,004,930
NET ASSETS, END OF YEAR	$ 4,464,108	$ 18,067,471	$ 8,307,174	$ 30,838,753	$ 27,268,081

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

Combined Statement Of Cash Flows
For The Year Ended June 30, 2010
(With Summarized Financial Information For The Year Ended June 30, 2009)

	2010	2009
Change in net assets	$ 3,570,672	$ (7,736,849)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized loss on investments	(2,808,650)	8,262,798
Depreciation and amortization	196,408	207,866
Gain on disposal of property and equipment	3,183	4,230
Contributions restricted for long-term purposes	(510,034)	(268,302)
Change in value of split interest agreements	(8,621)	2,490
Changes in operating assets and liabilities -		
(Increase) decrease in contributions receivable	117,090	(15,001)
(Increase) decrease in accounts receivable	99,806	(28,567)
Decrease in publications inventory	90,111	224,983
Decrease in prepaid expenses and other assets	153,171	135,768
Increase (decrease) in accounts payable	(19,608)	54,144
Increase (decrease) in accrued expenses	(107,874)	122,817
Increase in accrued liabilities	12,600	40,710
Increase (decrease) in deferred revenue	(25,028)	(422,652)
Increase (decrease) in other liabilities	(3,845)	3,822
Net cash provided by operating activities	759,381	588,257
Cash flows from investing activities:		
Purchases of investments	(6,208,352)	(8,077,734)
Proceeds from the sales of investments	5,138,474	7,091,053
Proceeds from (payments to) charitable trust	96,050	(91,986)
Purchase of property and equipment	(2,860)	(72,948)
Net cash (used in) investing activities	(976,688)	(1,151,615)
Cash flows from financing activities:		
Bond issue costs		(6,468)
Payment on bonds		(225,000)
Payments on line of credit	(300,000)	300,000
Contributions for long-term purposes	510,034	268,302
Net cash provided by financing activities	210,034	336,834
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,273)	(226,524)
Cash And Cash Equivalents, Beginning Of Year	428,371	654,895
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 421,098	$ 428,371
Supplemental cash flow information:		
Income tax paid	$ 28,400	$ 0

The accompanying notes are an integral part of the 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 and economic interest factors exist.

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

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 specific 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.

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.

Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

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.

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.

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, 2009, from which the summarized information was derived.

Fair Value Measurements

The Organization adopted Fair Value Measurements which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active 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 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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.

Following is a description of the valuation methodologies used for assets measured at fair value.

Corporate Stocks, Mutual Funds, International Equities, Domestic Fixed income securities, Commodity funds, Bank loan funds and money market funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Limited partnership fund: Valued as reported by the limited partnership based upon the underlying net assets of the limited partnership.

Private equity portfolio: Valued at the closing price reported on the active market on which the individual securities are traded and valued as reported by the private equity.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization 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.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts receivable, inventory, accounts payable and accrued liabilities, approximate fair value because of the immediate or short-term maturities of these financial instruments.

Subsequent Events

The Organization has performed an evaluation of subsequent events through September 14, 2010, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

(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.

The Organization adopted the Accounting for Uncertainty in Income Taxes accounting standard, which requires the Organization to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the year ended December 31, 2009, the Organization's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an affect on its tax-exempt status.

The Organization is no longer subject to U.S. federal and state income tax audits on its Form 990-T and related state return by taxing authorities for years through 2006. The years subsequent to these years contain matters that could be subject to differing interpretations of applicable tax laws and regulations as it relates to the amount and/or timing of income, deductions, and tax credits. Although, the outcome of tax audits is uncertain, the Organization believes no issues would arise.

The Society is subject to tax on its net unrelated business taxable income for certain activities.

(4) Investments And Concentration Of Credit Risk

The following table presents the Organizations's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2010:

	Level 1	Level 3	Total
Investments:			
Corporate Stock	$ 11,194,637	$	$ 11,194,637
International Equities	3,852,083		3,852,083
Domestic Fixed Income	5,190,685		5,190,685
Limited Partnerships		3,443,753	3,443,753
Mutual Funds	616,195		616,195
Private Equity Portfolio	686,203	599,993	1,286,196
Commodity Fund	1,360,718		1,360,718
Floating Interest Rate Bank Loan Fund	1,703,298		1,703,298
Money Market Fund	788,557		788,557
Total	$ 25,392,376	$ 4,043,746	$ 29,436,122

The changes in the investments for which Organization has used Level 3 inputs to determine the fair values are as follows:

Balance as of July 1, 2009	$ 3,509,394
Investment income	(2,055)
Total gains or losses (realized and unrealized)	283,535
Purchases	252,872
Balance as of June 30, 2010	$ 4,043,746

Investments are presented on the Statement of Financial Position as of June 30, 2010, as follows:

Investments	$ 2,702,001
Long-term investments	633,542
Restricted long-term investments	26,100,579
	$ 29,436,122

The Society has a commitment to invest $1,750,000 in a limited partnership investment. The limited partnership will make capital calls as needed. During the fiscal year ended June 30, 2010, the Society met capital calls of $252,872.

The Organization's cash demand deposits are held at financial institutions at which interest bearing deposits are insured up to $250,000 per institution by the FDIC. As of June 30, 2010, the amount which exceeded the FDIC limit was approximately $358,000.

(5) Endowment Net Assets

General

The Organization's Endowment Funds were established by action of the Society's Board of Directors and Foundation's Board of Trustees to be maintained in perpetuity. The Endowment Fund includes donor-restricted funds and may be utilized for either specific purposes or general operating use. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with Endowment Funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purpose and intent of the Organization and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the Organization

(7) The investment policies of the Organization.

Changes in endowment net assets as of June 30, 2010, consisted of the following:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 8,306,545	$ 7,797,140	$ 16,103,685
Investment return:			
Interest income, net of fees	216,435		216,435
Net gain/loss on securities (realized/unrealized)	854,379		854,379
Total investment return	1,070,814		1,070,814
Contributions	10,780	510,034	520,814
Appropriation of endowment assets for expenditure	(218,679)		(218,679)
Endowment net assets, end of year	$ 9,169,460	$ 8,307,174	$ 17,476,634

As of June 30, 2010, endowment net assets consisted of the following:

	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment net assets	$ 9,169,460	$ 8,307,174	$ 17,476,634

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. These deficiencies result from unfavorable market fluctuations that may occur after the investment of permanently restricted contributions and appropriation that was deemed prudent by the Board. As of June 30, 2010, no funds had deficiencies.

Return Objectives and Risk Parameters

The Society's investment policy was adopted by the Board in March 2004. The Foundation has adopted an investment policy for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Permanently restricted assets are invested as a portion of the total Endowment Fund which seeks to optimize the total rate of return to meet spending requirements of the Organization. The Endowment Fund also seeks sufficient flexibility to meet unanticipated demands and changing environments. The Endowment Fund is invested with a long-term strategy which includes a balanced portfolio of equity, bonds, limited partnership, commodity funds, bank loan funds and temporary cash investments.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Society has a policy of appropriating for distribution each year 4% of the rolling 12 quarter moving average of total unrestricted investments on December 31st of the current fiscal year in which the distribution is planned if the adjusted unrestricted investments exceed the budgeted annual operating expenses. The Foundation has a policy of appropriating for distribution each year 5% of the fair value of a fund's net assets from two years prior to the current fiscal year. In establishing this policy, the Organization considered the long-term expected return on the Endowment Fund. Accordingly, over the long term, the Society expects the current spending policy to allow its endowment to grow at an average of at least the CPI annually and the Foundation expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment returns. Expenditures may be made through the Organization's operating budget on an annual basis.

(6) Contributions Receivable And Concentration Of Credit Risk

Contributions receivable consisted of the following unconditional promises to give as of June 30, 2010:

Due in less than one year	$ 64,998
Less allowance for uncollectible contributions	(3,044)
Current portion	$ 61,954

As of June 30, 2010, two donors accounted for 48%, and 37% of contributions receivable. In addition, three donors accounted for 54% of contributions revenue.

(7) Publications Inventory

Publications inventory consisted of the following as of June 30, 2010:

Finished goods	$ 222,581
Work in process	79,380
Total publications inventory	$ 301,961

(8) Property And Equipment

Property and equipment consisted of the following as of June 30, 2010:

Land	$ 428,065
Land improvements	89,557
Headquarters building and improvements	3,685,108
Residential property	145,344
Furniture and equipment	1,183,249
	5,531,323
Less: accumulated depreciation and amortization	(3,037,403)
Net property and equipment	$ 2,493,920

(9) Operating Leases

The Society leases equipment under non-cancelable operating leases with monthly payments totaling approximately $7,600 that expire from 2011 through 2015. The equipment may be purchased at the termination of the lease for its fair value.

Future minimum lease payments as of June 30, 2010, are as follows:

For the Year Ended June 30,	
2011	$ 66,645
2012	52,816
2013	31,641
2014	9,150
2015	5,337
	$ 165,589

Rent expense for operating leases was approximately $76,000 for the year ended June 30, 2010.

(10) 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 2014, totaling $4,481,040. The maximum penalty for cancellation of these contracts as of June 30, 2010, was $1,806,983.

(11) Split-Interest Agreements

As of June 30, 2010, the Foundation is a beneficiary of four charitable reminder trusts. Under the terms of the split-interest agreements, at the time of the donor's death, the trust is to terminate and the remaining trust assets are to be distributed to the Foundation and other beneficiaries. Based on donor life expectancy and the use of a 5.25% discount rate, the present value of future benefits expected to be received by the Foundation was estimated to be $221,619.

(12) Restricted Net Assets

Temporarily restricted net assets: Temporarily restricted net assets are restricted for the following purposes as of June 30, 2010:

Foundation -	
Research grants and awards	$ 977,114
Travel support	651,689
Other GSA program support	2,197,779
Society -	
Research, study and education (Pardee)	5,477,156
Penrose endowment earnings	8,763,733
	$ 18,067,471

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, 2010:

Foundation -	
Research grants and awards	$ 3,867,891
Travel support	72,821
Other GSA program support	482,077

Society -	
Penrose endowment	3,884,385
	$ 8,307,174

(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 $265,133 during the year ended June 30, 2010.

(14) Related Party Transactions

The Organization has transactions that consist of transfers between the Foundation and the Society for support of and investment in future advancement of the geosciences. All significant inter-company accounts and transactions are eliminated in combination. The detail of the inter-company transactions prior to elimination for the year ended June 30, 2010, are as follows:

Foundation Support of Society

Society reported transfer revenue from Foundation	$ 533,328
Publications funds transfer to Foundation	30,000
Sections & Divisions transfer to Foundation	59,639
Total Foundation transfer to Society	$ 622,967

Society Support of Foundation

Foundation payroll	$ 200,677
Foundation benefits	72,324
Foundation overhead	113,688
Total	$ 386,689

(15) Subsequent Event

On August 2, 2010, the Organization sold easements to the adjoining property of its headquarters to the City of Boulder. The Organization received approximately $650,000 as a result of this transaction.

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

Combined Supplemental Schedule Of Financial Position
As Of June 30, 2010
(With Summarized Financial Information For The Year Ended June 30, 2009)

	Society	Foundation	Eliminations
ASSETS			
Cash and cash equivalents	$ 40,785	$ 380,313	$
Investments	687,469	2,014,532	
Accounts receivable, net	352,881		(110,444)
Contributions receivable, net		61,954	
Publications inventory	301,961		
Prepaid expenses and other assets	275,083	8,624	
Total Current Assets	1,658,179	2,465,423	(110,444)
Long-term investments	633,542		
Restricted long-term investments	18,125,277	7,975,302	
Long-term contributions receivable, net			
Long-term accounts receivable, net			
Beneficial interest in charitable trusts		221,619	
Property and equipment, net	2,491,483	2,437	
TOTAL ASSETS	$ 22,908,481	$ 10,664,781	$ (110,444)
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable	$ 301,978	$ 106,240	$ (110,444)
Accrued expenses	37,794	35,559	
Accrued liabilities	292,194		
Deferred revenue	1,954,347		
Line of credit			
Other liabilities	6,397		
Total Liabilities	$ 2,592,710	$ 141,799	$ (110,444)
Net Assets:			
Unrestricted -			
Designated for employee benefits	81,593		
Undesignated	2,108,904	2,273,611	
Total Unrestricted Net Assets	2,190,497	2,273,611	
Temporarily restricted	14,240,889	3,826,582	
Permanently restricted	3,884,385	4,422,789	
Total Net Assets	20,315,771	10,522,982	
TOTAL LIABILITIES AND NET ASSETS	$ 22,908,481	$ 10,664,781	$ (110,444)

Combined	
2010 Total	2009 Total
$ 421,098	$ 428,371
2,702,001	2,495,716
242,437	294,292
61,954	177,468
301,961	392,072
283,707	436,878
4,013,158	4,224,797
633,542	
26,100,579	23,061,878
	1,576
	46,667
221,619	309,048
2,493,920	2,690,651
$ 33,462,818	$ 30,334,617
$ 297,774	$ 316,098
73,353	181,227
292,194	279,594
1,954,347	1,979,375
	300,000
6,397	10,242
$ 2,624,065	$ 3,066,536
81,593	109,895
4,382,515	2,860,176
4,464,108	2,970,071
18,067,471	16,500,870
8,307,174	7,797,140
30,838,753	27,268,081
$ 33,462,818	$ 30,334,617

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

Combined Supplemental Schedule Of Activities
For The Year Ended June 30, 2010
(With Summarized Financial Information For The Year Ended June 30, 2009)

	Society	Foundation
Support And Revenue:		
Publications	$ 3,878,831	$
Meetings	2,388,045	
Membership dues and services	604,646	
Sections and divisions	593,766	
Grants	323,622	
Contributions	547,965	1,774,593
Education and outreach	566,341	
Change in value of split interest agreements		8,621
Other revenue	203,241	7,325
Total Support And Revenue	9,106,457	1,790,539
Expenses:		
Program services -		
Publications	2,177,707	
Meetings	1,955,948	
Membership	673,001	
Sections and divisions	375,448	
Grants and awards	1,248,171	673,372
Education and outreach	724,857	
Total Program Services	7,155,132	673,372
Supporting services -		
Fundraising	7,945	197,264
General and administrative	2,377,117	488,813
Total Supporting Services	2,385,062	686,077
Total Expenses	9,540,194	1,359,449
CHANGES IN NET ASSETS BEFORE INVESTMENT INCOME (LOSS)	(433,737)	431,090
Interest and dividend income	501,774	262,895
Net realized gain(loss) on investments	(923,891)	(411,305)
Net unrealized gain(loss) on investments	2,834,822	1,309,024
Total investment income (loss)	2,412,705	1,160,614
CHANGES IN NET ASSETS	1,978,968	1,591,704
Net Assets, Beginning Of Year	18,336,803	8,931,278
NET ASSETS, END OF YEAR	$ 20,315,771	$ 10,522,982

	Combined	
Eliminations	2010	2009
$	$ 3,878,831	$ 4,108,531
	2,388,045	1,772,018
	604,646	594,815
	593,766	446,336
	323,622	270,027
(1,009,656)	1,312,902	2,252,296
	566,341	371,765
	8,621	(2,490)
	210,566	235,198
(1,009,656)	9,887,340	10,048,496
	2,177,707	2,354,176
	1,955,948	1,869,535
	673,001	686,778
	375,448	329,097
(622,967)	1,298,576	1,274,368
	724,857	746,069
(622,967)	7,205,537	7,260,023
	205,209	199,878
(386,689)	2,479,241	3,000,872
(386,689)	2,684,450	3,200,750
(1,009,656)	9,889,987	10,460,773
	(2,647)	(412,277)
	764,669	938,227
	(1,335,196)	(468,813)
	4,143,846	(7,793,986)
	3,573,319	(7,324,572)
	3,570,672	(7,736,849)
	27,268,081	35,004,930
$	$ 30,838,753	$ 27,268,081