

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

Combined Financial Statements As Of June 30, 2008
(With Summarized Financial Information For
The Year Ended June 30, 2007)

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, 2008, 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 \$9,711,585 as of June 30, 2008, and total support and revenues of \$1,558,849 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, 2008, 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 3, 2008

Members:

American Institute of Certified Public Accountants • Colorado Society of Certified Public Accountants

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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, 2008
(With Summarized Financial Information As Of June 30, 2007)

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ASSETS	<u>2008</u>	<u>2007</u>
Current Assets:		
Cash and cash equivalents	\$ 654,895	\$ 314,252
Investments	2,521,224	2,589,043
Accounts receivable, net of allowance of \$67,456	280,741	258,772
Contributions receivable	162,467	173,718
Publications inventory	617,055	683,166
Prepaid expenses and other assets	<u>570,407</u>	<u>429,403</u>
Total Current Assets	4,806,789	4,448,354
Long-term investments	11,847,882	13,128,870
Restricted long-term investments	18,464,606	17,907,663
Long term contribution receivable, net	33,227	251,590
Beneficial interest in charitable trusts	219,551	985,515
Property and equipment, net of accumulated depreciation and amortization of \$3,022,330	<u>2,825,569</u>	<u>2,786,548</u>
TOTAL ASSETS	<u><u>\$ 38,197,624</u></u>	<u><u>\$ 39,508,540</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 261,954	\$ 429,833
Accrued expenses	58,409	123,066
Accrued liabilities	238,884	245,803
Deferred revenue	2,402,027	1,874,542
Current portion of bonds payable	225,000	210,000
Other liabilities	<u>6,420</u>	<u>6,095</u>
Total Current Liabilities	3,192,694	2,889,339
Bonds payable, net of current portion		<u>225,000</u>
Total Liabilities	<u>3,192,694</u>	<u>3,114,339</u>
Net Assets:		
Unrestricted -		
Designated for employee benefits	150,986	184,979
Undesignated	<u>15,699,577</u>	<u>16,890,736</u>
Total Unrestricted	15,850,563	17,075,715
Temporarily restricted	10,823,160	11,316,667
Permanently restricted	<u>8,331,207</u>	<u>8,001,819</u>
Total Net Assets	<u>35,004,930</u>	<u>36,394,201</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 38,197,624</u></u>	<u><u>\$ 39,508,540</u></u>

**THE GEOLOGICAL SOCIETY OF AMERICA, INC. AND
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Combined Statement Of Activities
For The Year Ended June 30, 2008

(With Summarized Financial Information For The Year Ended June 30, 2007)

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	Unrestricted	Temporarily Restricted	Permanently Restricted	2008 Total	2007 Total
Support And Revenue:					
Publications	\$ 4,437,383	\$	\$	\$ 4,437,383	\$ 4,268,290
Meetings	2,284,809			2,284,809	2,206,517
Membership dues and services	627,406			627,406	570,282
Sections and divisions	492,968			492,968	529,890
Grants	250,567			250,567	265,094
Contributions	336,943	328,802	323,254	988,999	865,304
Education and outreach	351,320			351,320	355,249
Change in value of split interest		(4,731)	6,134	1,403	17,896
Other revenue	96,979			96,979	93,896
Net Assets Released From Restriction:					
Satisfaction of program restrictions	990,237	(990,237)			
Total Support And Revenue	9,868,612	(666,166)	329,388	9,531,834	9,172,418
Expenses:					
Program services -					
Publications	3,026,440			3,026,440	2,672,162
Meetings	1,657,968			1,657,968	2,218,627
Membership	739,012			739,012	743,317
Sections and divisions	313,179			313,179	393,544
Grants and awards	1,355,152			1,355,152	1,053,313
Education and outreach	773,380			773,380	762,717
Total Program Services	7,865,131			7,865,131	7,843,680
Supporting services -					
Fundraising	164,572			164,572	266,384
General and administrative	2,649,020			2,649,020	2,157,893
Total Supporting Services	2,813,592			2,813,592	2,424,277
Total Expenses	10,678,723			10,678,723	10,267,957
CHANGE IN NET ASSETS BEFORE INVESTMENT EARNINGS					
	(810,111)	(666,166)	329,388	(1,146,889)	(1,095,539)
Interest and dividend income	423,535	364,966		788,501	1,630,345
Net realized gain on investments	1,390,310	1,423,690		2,814,000	946,565
Net unrealized gain on investments	(2,228,886)	(1,615,997)		(3,844,883)	2,479,792
Total investment income	(415,041)	172,659		(242,382)	5,056,702
CHANGE IN NET ASSETS	(1,225,152)	(493,507)	329,388	(1,389,271)	3,961,163
Net Assets, Beginning Of Year	17,075,715	11,316,667	8,001,819	36,394,201	32,433,038
NET ASSETS, END OF YEAR	\$ 15,850,563	\$ 10,823,160	\$ 8,331,207	\$ 35,004,930	\$ 36,394,201

**THE GEOLOGICAL SOCIETY OF AMERICA, INC. AND
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Combined Statement Of Cash Flows
For The Year Ended June 30, 2008

(With Summarized Financial Information For The Year Ended June 30, 2007)

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	<u>2008</u>	<u>2007</u>
Change in net assets	\$ (1,389,271)	\$ 3,961,163
Adjustments to reconcile change in net assets to net cRash provided by operating activities		
Net realized and unrealized (gain) loss on investments	1,557,922	(3,426,357)
Loss on disposal of asset		19,282
Depreciation	150,473	151,207
Amortization of bond issue costs	18,519	24,097
Contributions restricted for long-term purposes	(323,254)	(274,242)
Change in value of split interest agreements	(1,403)	(17,896)
Changes in operating assets and liabilities -		
(Increase) decrease in contributions receivable	11,251	(23,998)
(Increase) decrease in accounts receivable	196,394	(93,163)
Decrease in publications inventory	66,111	218,157
(Increase) decrease in prepaid expenses and other assets	(141,004)	106,932
Increase (decrease) in accounts payable	(167,038)	210,801
Increase (decrease) in accrued expenses	(64,657)	16,643
Decrease in accrued liabilities	(6,919)	(35,329)
Increase in deferred revenue	527,485	1,399
Increase (decrease) in other liabilities	325	(316)
Net cash provided by operating activities	<u>434,934</u>	<u>838,380</u>
Cash flows from investing activities:		
Purchases of investments, net	(7,932,721)	(1,072,722)
Proceeds from the sales of investments	7,166,663	
Return of amounts held in charitable trust	767,367	
Purchase of property and equipment	(202,386)	(43,304)
Net cash (used in) investing activities	<u>(201,077)</u>	<u>(1,116,026)</u>
Cash flows from financing activities:		
Bond issue costs	(6,468)	(15,515)
Payment on bonds	(210,000)	(200,000)
Contributions for long-term purposes	323,254	274,242
Net cash provided by financing activities	<u>106,786</u>	<u>58,727</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	340,643	(218,919)
Cash And Cash Equivalents, Beginning Of Year	<u>314,252</u>	<u>533,171</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 654,895</u>	<u>\$ 314,252</u>
Supplemental cash flow information:		
Estimated income tax paid	<u>\$ 65,000</u>	<u>\$</u>

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Notes To Combined Financial Statements
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(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

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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.

Change in Accounting Standard For Endowment Funds

The Organization has been following Financial Accounting Standards Board (FASB) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations* and the Uniform Management of Institutional Funds Act (UMIFA) which provided fiduciary responsibility and guidance to non-profit organizations which engaged in endowment fund activities. The State of Colorado has enacted a new law which is the Uniform Prudent Management of Institutional Funds Act (UPMIFA) which is effective on September 1, 2008. UPMIFA prescribes new guidelines for expenditure of a donor-restricted endowment fund in the absence of overriding, explicit donor stipulations and eliminates UMIFA's historic-dollar value threshold. Based upon this new law, FASB issued FASB No. 117-1, *Endowments of Not-for-Profit Organizations: Net Assets Classification of Funds Subject to an Enacted Version of the UPMIFA, and Enhanced Disclosures for All Endowment Funds*.

The provisions of FASB No. 117-1 shall be effective for fiscal years ending after December 15, 2008. Under FASB No. 117-1, the amount classified as permanently restricted shall be the amount of the fund (a) that must be retained permanently in accordance with explicit donor stipulations, or (b) that in the absence of such stipulations, the organization's governing board determines must be retained (preserved) permanently consistent with the relevant law. Additionally, a non-for profit organization, whether or not it is subject to an enacted version of UPMIFA, shall disclose information to enable users of financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policy (ies) and related investment policy(ies) of its endowment funds (both donor-restricted and board designated). FASB No. 124, as amended, is still effective. The impact of FASB No. 117-1 has not been determined.

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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, 2008, excess of the FDIC limits amounted to \$514,319.

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

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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.

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Notes To Combined Financial Statements
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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.

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, 2007, from which the summarized information was derived.

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(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 Society is subject to tax on its net unrelated business taxable income for certain activities. The Society did not incur any material income tax expenses from these unrelated activities for the year ended June 30, 2008.

(4) **Investments**

As of June 30, 2008, investments consisted of the following:

Mutual funds -

Corporate stocks	\$ 14,472,140
International equity funds	3,086,700
Corporate bonds	4,608,716
Floating interest rate bank loan funds	2,491,980
Commodity funds	2,391,062
Temporary cash investments	556,203
Certificate of deposit	43,463
Limited partnership	5,183,448
	<u>\$ 32,833,712</u>

Investments are presented on the Statement of Financial Position as of June 30, 2008 as follows:

Investments	\$ 2,521,224
Long-term investments	11,847,882
Restricted long-term investments	18,464,606
	<u>\$ 32,833,712</u>

During fiscal year ended June 30, 2008, the Society made 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, 2008, the Society had already met capital calls of \$296,290.

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Notes To Combined Financial Statements
For The Year Ended June 30, 2008

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

Contributions receivable consisted of the following unconditional promises to give as of June 30, 2008:

Due in less than one year	\$ 166,967
Due in one to five years	33,944
Due in more than five years	<u>25</u>
	200,936
Less unamortized discount on long-term contributions receivable	<u>(742)</u>
	200,194
Less allowance for uncollectible contributions	<u>(4,500)</u>
	195,694
Less current portion	<u>(162,467)</u>
Long-term contributions receivable	<u><u>\$ 33,227</u></u>

Concentration Of Credit Risk:

As of June 30, 2008, 56% of contributions receivable was from one donor.

(6) **Publications Inventory**

Publications inventory consisted of the following as of June 30, 2008:

Finished goods	\$ 510,751
Work in process	<u>106,304</u>
Total publications inventory	<u><u>\$ 617,055</u></u>

(7) **Property And Equipment**

Property and equipment consisted of the following as of June 30, 2008:

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Notes To Combined Financial Statements
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Land	\$ 428,065
Land improvements	89,557
Headquarters building and improvements	3,804,127
Residential property	145,344
Furniture and equipment	1,371,619
Vehicles	<u>9,187</u>
	5,682,003
Less: accumulated depreciation and amortization	<u>(3,022,330)</u>
Net property and equipment	<u>\$ 2,825,569</u>

(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 bonds bear interest at a "Reset Rate" (3.50% at June 30, 2008); 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 \$11,300 was recorded in the financial statements for the year ended June 30, 2008.

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,

2009

\$ 225,000

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

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over one year. Amortization expense of \$18,519 has been recognized for the year ended June 30, 2008.

Bond issue costs	\$ 137,570
Less accumulated amortization	<u>(133,270)</u>
	<u>4,300</u>
Annual bond costs - beginning of year	5,916
Annual bond costs	6,468
Less amortization expense	<u>(9,921)</u>
	<u>2,463</u>
	 <u>\$ 6,763</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, 2008, with interest due monthly at the prime rate plus 0.25% (8.50% as of June 30, 2008). There was no outstanding balance as of June 30, 2008.

(10) **Operating Leases**

The Organization leases equipment under non-cancelable operating leases with monthly payments totaling approximately \$7,900 that expire from 2009 through 2013. The equipment may be purchased at the termination of the lease for its fair value.

Future minimum lease payments as of June 30, 2008, are as follows:

For the Year Ended June 30,

2009	\$ 79,566
2010	56,324
2011	38,569
2012	23,057
2013	<u>17,293</u>
	<u>\$ 214,809</u>

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Rent expense for operating leases was approximately \$95,000 for the year ended June 30, 2008.

(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 \$4,610,827. The maximum penalty for cancellation of these contracts as of June 30, 2008, was \$2,118,011.

(12) **Restricted Net Assets**

Temporarily restricted net assets: Temporarily restricted net assets are restricted for the following purposes as of June 30, 2008:

Foundation -		
Research grants and awards	\$	1,521,798
Travel support		679,968
Other GSA program support		1,795,134
Society -		
Research, study and education (Pardee)		6,751,738
Research grants (Lipman)		74,522
	\$	<u>10,823,160</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, 2008:

Foundation -		
Research grants and awards	\$	4,021,688
Travel support		118,977
Other GSA program support		306,157
Society -		
Penrose endowment, earnings to be used for operations		3,884,385
	\$	<u>8,331,207</u>

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(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 \$237,755 during the year ended June 30, 2008.

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

Combined Supplemental Schedule Of Financial Position
As Of June 30, 2008
(With Summarized Financial Information For The Year Ended June 30, 2007)

	<u>Society</u>	<u>Foundation</u>	<u>Eliminations</u>
ASSETS			
Cash and cash equivalents	\$ 50,587	\$ 604,308	\$
Investments	1,624,676	896,548	
Accounts receivable, net	411,538		(130,797)
Contributions receivable	25,000	137,467	
Publications inventory	617,055		
Prepaid expenses and other assets	534,323	36,084	
Total Current Assets	<u>3,263,179</u>	<u>1,674,407</u>	<u>(130,797)</u>
Long-term investments	11,847,882		
Restricted long-term investments	10,661,919	7,802,687	
Long-term contributions receivable, net	23,725	9,502	
Beneficial interest in charitable trusts		219,551	
Property and equipment, net	<u>2,820,131</u>	<u>5,438</u>	
TOTAL ASSETS	<u><u>\$ 28,616,836</u></u>	<u><u>\$ 9,711,585</u></u>	<u><u>\$ (130,797)</u></u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable	263,602	129,149	(130,797)
Accrued expenses	16,918	41,491	
Accrued liabilities	238,884		
Deferred revenue	2,402,027		
Current portion of bonds payable	225,000		
Other liabilities	6,420		
Total Current liabilities	<u>3,152,851</u>	<u>170,640</u>	<u>(130,797)</u>
Bonds payable, net of current portion			
Total Liabilities	<u>\$ 3,152,851</u>	<u>\$ 170,640</u>	<u>\$ (130,797)</u>
Net Assets:			
Unrestricted -			
Designated for employee benefits	150,986	-	
Undesignated	14,602,354	1,097,223	
Total Unrestricted Net Assets	<u>14,753,340</u>	<u>1,097,223</u>	
Temporarily restricted	6,826,260	3,996,900	
Permanently restricted	3,884,385	4,446,822	
Total Net Assets	<u>25,463,985</u>	<u>9,540,945</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 28,616,836</u></u>	<u><u>\$ 9,711,585</u></u>	<u><u>\$ (130,797)</u></u>

 Combined

2008 Total	2007 Total
\$ 654,895	\$ 314,252
2,521,224	2,589,043
280,741	258,772
162,467	173,718
617,055	683,166
570,407	429,403
<u>4,806,789</u>	<u>4,448,354</u>
11,847,882	13,128,870
18,464,606	17,907,663
33,227	251,590
219,551	985,515
<u>2,825,569</u>	<u>2,786,548</u>
<u>\$ 38,197,624</u>	<u>\$ 39,508,540</u>
\$ 261,954	\$ 429,833
58,409	123,066
238,884	245,803
2,402,027	1,874,542
225,000	210,000
6,420	6,095
<u>3,192,694</u>	<u>2,889,339</u>
-	225,000
<u>\$ 3,192,694</u>	<u>\$ 3,114,339</u>
150,986	184,979
15,699,577	16,890,736
<u>15,850,563</u>	<u>17,075,715</u>
10,823,160	11,316,667
8,331,207	8,001,819
<u>35,004,930</u>	<u>36,394,201</u>
<u>\$ 38,197,624</u>	<u>\$ 39,508,540</u>

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

Combined Supplemental Schedule Of Activities
For The Year Ended June 30, 2008
(With Summarized Financial Information For The Year Ended June 30, 2007)

	Society	Foundation
Support And Revenue:		
Publications	\$ 4,437,383	\$
Meetings	2,284,809	
Membership dues and services	627,406	
Sections and divisions	492,968	
Grants	250,567	
Contributions	456,355	1,538,477
Education and outreach	351,320	
Change in value of split interest agreements		1,403
Other revenue	78,010	18,969
Total Support And Revenue	8,978,818	1,558,849
Expenses:		
Program services -		
Publications	3,026,440	
Meetings	1,657,968	
Membership	739,012	
Sections and divisions	313,179	
Grants and awards	1,042,782	960,835
Education and outreach	773,380	
Total Program Services	7,552,761	960,835
Supporting services -		
Fundraising	9,637	154,935
General and administrative	2,440,807	565,581
Total Supporting Services	2,450,444	720,516
Total Expenses	10,003,205	1,681,351
CHANGES IN NET ASSETS BEFORE INVESTMENT EARNINGS	(1,024,387)	(122,502)
Interest and dividend income	566,275	222,226
Net realized gain on investments	1,871,722	942,278
Net unrealized gain/(loss) on investments	(2,999,340)	(845,543)
Total investment income	(561,343)	318,961
CHANGES IN NET ASSETS	\$ (1,585,730)	\$ 196,459

 Combined

Eliminations	2008 Total	2007 Total
\$	\$ 4,437,383	\$ 4,268,290
	2,284,809	2,206,517
	627,406	570,282
	492,968	529,890
	250,567	265,094
(1,005,833)	988,999	865,304
	351,320	355,249
	1,403	17,896
	96,979	93,896
(1,005,833)	9,531,834	9,172,418
	3,026,440	2,672,162
	1,657,968	2,218,627
	739,012	743,317
	313,179	393,544
(648,465)	1,355,152	1,053,313
	773,380	762,717
(648,465)	7,865,131	7,843,680
	164,572	266,384
(357,368)	2,649,020	2,157,893
(357,368)	2,813,592	2,424,277
(1,005,833)	10,678,723	10,267,957
	(1,146,889)	(1,095,539)
	788,501	1,630,345
	2,814,000	946,565
(3,844,883)	2,479,792	2,479,792
(242,382)	5,056,702	5,056,702
\$	\$ (1,389,271)	\$ 3,961,163