

**NATIONAL SPACE SOCIETY**

**AUDITED FINANCIAL STATEMENTS**

For the Years Ended December 31, 2015 and 2014

**NATIONAL SPACE SOCIETY**  
**AUDITED FINANCIAL STATEMENTS**  
December 31, 2015 and 2014

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## **INDEPENDENT AUDITORS' REPORT**

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

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

We have audited the accompanying financial statements of the **National Space Society** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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 financial statements are free from material misstatement.

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

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

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

**INDEPENDENT AUDITORS' REPORT (Continued)**

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **National Space Society** as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

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

*Sylvan R. Kottler & Corydon, P.A.*

Rockville, Maryland  
September 23, 2016

**NATIONAL SPACE SOCIETY**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2015 and 2014

**ASSETS**

**CURRENT ASSETS**

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents -- NOTES A, B and D	\$ 89,172	\$ 79,016
Accounts receivable, net -- NOTE A	30,881	25,950
Prepaid expenses	<u>3,753</u>	<u>3,944</u>
<b>TOTAL CURRENT ASSETS</b>	<u>123,806</u>	<u>108,910</u>

**PROPERTY AND EQUIPMENT -- NOTE A**

Computers and office equipment	0	0
Less: Accumulated depreciation	<u>0</u>	<u>0</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	0	0

**OTHER ASSETS**

Cash and cash equivalents - board designated - NOTES A, B, and D	10,771	15,771
Investments -- NOTES A, C, and D	<u>123,875</u>	<u>105,383</u>
<b>TOTAL OTHER ASSETS</b>	<u>134,646</u>	<u>121,154</u>
<b>TOTAL ASSETS</b>	<u>\$ 258,452</u>	<u>\$ 230,064</u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable - trade	\$ 57,869	\$ 33,030
Accrued expenses	0	382
Deferred revenue -- NOTE A	35,249	37,699
Other current liabilities	<u>11,500</u>	<u>12,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>104,618</u>	<u>83,111</u>

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

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

Unrestricted net assets:		
Undesignated	143,063	131,182
Board designated	<u>10,771</u>	<u>15,771</u>
<b>TOTAL NET ASSETS</b>	<u>153,834</u>	<u>146,953</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 258,452</u>	<u>\$ 230,064</u>

**NATIONAL SPACE SOCIETY**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2015

	December 31, 2015			
	Unrestricted	Temporarily Restricted	Total	%
<b>REVENUES -- NOTE A</b>				
Membership	\$ 295,181	\$ 0	\$ 295,181	38.2
Contributions and grants	187,150	0	187,150	24.2
Conference	106,931	0	106,931	13.9
Investment income	2,363	0	2,363	0.3
List rental, advertising and royalties	73,312	0	73,312	9.5
Publications	0	0	0	0.0
Bequests	0	0	0	0.0
Projects	92,623	0	92,623	12.0
Reimbursements	6,872	0	6,872	0.9
Other revenue	1,445	0	1,445	0.2
Realized/unrealized gain on investments -- NOTE C	5,991	0	5,991	0.8
Net assets released from restrictions:				
Satisfaction of program restrictions -- NOTES A and E	0	0	0	0.0
<b>TOTAL REVENUES</b>	<u>771,868</u>	<u>0</u>	<u>771,868</u>	<u>100.0</u>
<b>EXPENSES -- NOTE A</b>				
<b>PROGRAM EXPENSES</b>				
Education and communication	551,607	0	551,607	71.5
Policy and research	119,899	0	119,899	15.5
<b>TOTAL PROGRAM EXPENSES</b>	<u>671,506</u>	<u>0</u>	<u>671,506</u>	<u>87.0</u>
<b>SUPPORTING SERVICES</b>				
Management and general	73,109	0	73,109	9.5
Fundraising	20,372	0	20,372	2.6
<b>TOTAL SUPPORTING SERVICES</b>	<u>93,481</u>	<u>0</u>	<u>93,481</u>	<u>12.1</u>
<b>TOTAL EXPENSES</b>	<u>764,987</u>	<u>0</u>	<u>764,987</u>	<u>99.1</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	6,881	0	6,881	<u>0.9</u>
<b>NET ASSETS AT</b>				
<b>BEGINNING OF YEAR</b>	<u>146,953</u>	<u>0</u>	<u>146,953</u>	
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 153,834</u>	<u>\$ 0</u>	<u>\$ 153,834</u>	

See Notes to Financial Statements

**NATIONAL SPACE SOCIETY**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2014

	December 31, 2014			
	Unrestricted	Temporarily Restricted	Total	%
<b>REVENUES -- NOTE A</b>				
Membership	\$ 333,028	\$ 0	\$ 333,028	48.9
Contributions and grants	149,586	0	149,586	21.9
Conference	135,401	0	135,401	19.9
Investment income	2,462	0	2,462	0.4
List rental, advertising and royalties	52,437	0	52,437	7.7
Publications	71	0	71	0.0
Bequests	0	0	0	0.0
Other revenue	3,616	0	3,616	0.5
Realized/unrealized gain on investments -- NOTE C	4,842	0	4,842	0.7
Net assets released from restrictions:				
Satisfaction of program restrictions -- NOTES A and E	0	0	0	0.0
<b>TOTAL REVENUES</b>	<b>681,443</b>	<b>0</b>	<b>681,443</b>	<b>100.0</b>
<b>EXPENSES -- NOTE A</b>				
<b>PROGRAM EXPENSES</b>				
Education and communication	440,720	0	440,720	64.7
Policy and research	156,052	0	156,052	22.9
<b>TOTAL PROGRAM EXPENSES</b>	<b>596,772</b>	<b>0</b>	<b>596,772</b>	<b>87.6</b>
<b>SUPPORTING SERVICES</b>				
Management and general	46,127	0	46,127	6.8
Fundraising	10,528	0	10,528	1.5
<b>TOTAL SUPPORTING SERVICES</b>	<b>56,655</b>	<b>0</b>	<b>56,655</b>	<b>8.3</b>
<b>TOTAL EXPENSES</b>	<b>653,427</b>	<b>0</b>	<b>653,427</b>	<b>95.9</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>28,016</b>	<b>0</b>	<b>28,016</b>	<b>4.1</b>
<b>NET ASSETS AT</b>				
<b>BEGINNING OF YEAR</b>	<b>118,937</b>	<b>0</b>	<b>118,937</b>	
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 146,953</b>	<b>\$ 0</b>	<b>\$ 146,953</b>	

See Notes to Financial Statements

NATIONAL SPACE SOCIETY  
STATEMENTS OF CASH FLOWS  
Year Ended December 31, 2015

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>2015</u>	<u>2014</u>
Increase (decrease) in net assets	\$ 6,881	\$ 28,016
Adjustments to reconcile change in net assets to net cash provided (used) in operating activities:		
Depreciation expense	0	538
Realized and unrealized (gain) loss on investments -- NOTE C	(5,991)	(4,842)
Board restricted cash	5,000	(15,771)
(Increase) decrease in operating assets		
Accounts receivable	(4,931)	(10,103)
Prepaid expenses	191	(2,589)
Increase (decrease) in operating liabilities		
Accounts payable	24,839	(16,699)
Accrued expenses	(382)	52
Deferred revenue	(2,450)	1,330
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>23,157</u>	<u>(20,068)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of marketable securities	15,073	5,993
Purchases of marketable securities available for sale	(28,074)	(13,227)
Purchases of property and equipment	0	0
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(13,001)</u>	<u>(7,234)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES - NONE</b>	<u>0</u>	<u>0</u>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>0</u>	<u>0</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	10,156	(27,302)
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>79,016</u>	<u>106,318</u>
<b>ENDING CASH AND CASH EQUIVALENTS -- NOTES A, B and D</b>	<u>\$ 89,172</u>	<u>\$ 79,016</u>

*See Note F for supplemental cash flows statements disclosures*



## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

#### **ASC Codification:**

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

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

**Basis of Presentation:**

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

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

**Income Tax Status:**

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

During the year ended December 31, 2009, the Society adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in ASC Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and de-recognition of tax positions taken or expected to be taken in a tax return. The Society performed an evaluation of uncertain tax positions for the year ended December 31, 2015, and determined that there were no material matters that would require recognition in the financial statements or that may have an effect on its tax-exempt status.

As of December 31, 2015, the statute of limitations for the Form 990 for years 2012-2014 remains open with the Internal Revenue Service. It is the Society's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

**Cash and Cash Equivalents:**

For purposes of the statement of cash flows, the Society considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The cash and cash equivalents balance consists of unrestricted demand deposits, money market funds, and undeposited funds on hand.

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

**Member Dues and Other Receivables:**

Member dues and other accounts receivable from members are stated at net realizable value. Management considers all accounts to be essentially collectible, and therefore no allowance for doubtful accounts has been established as of December 31, 2015.

**Revenue Recognition and Deferred Revenue:**

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

**Net Asset Classification:**

The Society has elected to adopt Accounting Standards Codification (ASC) 958 Not-for-Profit Entities (formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*). Under FASB ASC 958-205, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Permanently restricted net assets contain donor-imposed restrictions that require that contributed funds be maintained by the Society in perpetuity. The Society has no permanently restricted net assets as of December 31, 2015 and 2014. Temporarily restricted net assets contain donor-imposed use limits on contributed funds that relate to specific periods of time or specified purposes. The Society has no temporarily restricted net assets as of December 31, 2015 and 2014. Unrestricted net assets are funds received that do not include any restriction as to the use by the donor. The Society's Board may subsequently designate unrestricted net assets for a specified purpose. As of December 31, 2015, \$10,771 of the unrestricted net assets was designated by the board for the Bruce Clark Scholarship Award program.

**Contributions and Grants:**

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

**Property, Equipment and Depreciation:**

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

**Reclassifications:**

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

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

**Investments:**

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

**Use of Estimates:**

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

**Functional Allocation of Expenses:**

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

**NOTE B - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at December 31, 2015 and 2014, consist of the following:

	<u>2015</u>	<u>2014</u>
Unrestricted:		
Demand deposits	\$ 87,791	\$ 50,475
Undeposited funds on hand	0	22,674
Money market funds	<u>1,381</u>	<u>5,867</u>
Total unrestricted cash and cash equivalents	<u>\$ 89,172</u>	<u>\$ 79,016</u>
Restricted:		
Demand deposits	<u>\$ 10,771</u>	<u>\$ 15,771</u>
Total cash and cash equivalents (Unrestricted and Restricted)	<u>\$ 99,943</u>	<u>\$ 94,787</u>

**NATIONAL SPACE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015 and 2014

**NOTE C – INVESTMENTS**

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

Investments at December 31, 2015 are comprised of the following:

	<u>Fair Value</u>
Bonds	\$ 34,760
Common stocks	<u>89,115</u>
Total investments	<u>\$ 123,875</u>

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

Net realized gain (loss) on sales of investments	\$ 672
Net unrealized gain (loss) on market changes in investments	<u>5,319</u>
	<u>\$ 5,991</u>

Investments at December 31, 2014 are comprised of the following:

	<u>Fair Value</u>
Bonds	\$ 24,077
Common stocks and options	<u>81,306</u>
Total investments	<u>\$ 105,383</u>

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

Net realized gain (loss) on sales of investments	\$ 374
Net unrealized gain (loss) on market changes in investments	<u>4,468</u>
	<u>\$ 4,842</u>

## NOTE D – COMMITMENTS AND CONTINGENCIES

### **Concentrations of Credit Risk:**

Financial instruments that potentially subject the Society to concentrations of credit risk consist principally of cash held with banks and brokers in excess of the insurance limitations of the Federal Deposit Insurance Corporation (FDIC) and/or the Securities Investor Protection Corporation (SIPC). At December 31, 2015 the Society's uninsured cash balance totaled \$546.

### **Management Services and Headquarters – Association Management Services:**

Effective January 1, 2014, the Society renewed its contract agreement with AMS, to provide management services for a fee of \$8,031 per month. This agreement continued through December 31, 2014, at which time the agreement expired. Effective January 1, 2015, the Society entered into an agreement with Association Management Strategies (AMS) to provide management services for January 2015. The Society's Director of Operations and Director of Finance were paid employees of AMS during the fiscal year ended December 31, 2014 and during January 2015. Total management fees paid to AMS during the years ended December 31, 2015 and December 31, 2014 amounted to \$12,395 and \$96,372, respectively.

### **Management Services and Headquarters – Drohan Management Group, Inc.:**

Effective February 1, 2015, the Society entered into a new contract agreement with Drohan Management Group, Inc. (DMG) to provide management services for a fee of \$8,000 per month, plus additional costs and expenses incurred by DMG on behalf of the NSS. This agreement continued through January 31, 2016, at which time it automatically renewed for a successive additional period of one year. The Society's Director of Operations and Director of Finance were paid employees of Drohan Management Group, Inc. during the fiscal year ended December 31, 2015. Total management fees paid to Drohan Management Group, Inc. during the year ended December 31, 2015 amounted to \$96,000.

### **Fair Value of Financial Instruments:**

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

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

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

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

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

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

The Society estimates that the fair value of all financial instruments at December 31, 2015 and 2014 do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position.

**Fair Value Measurements on a Recurring Basis  
 As of December 31, 2015**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	<u>\$ 123,875</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 123,875</u>

**Fair Value Measurements on a Recurring Basis  
 As of December 31, 2014**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	<u>\$ 105,383</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 105,383</u>

**NOTE E – TEMPORARILY RESTRICTED NET ASSETS**

It is the Society’s policy to release temporarily restricted net assets in the period in which the restriction is satisfied. There were no temporarily restricted net assets at December 31, 2015 and December 31, 2014.

**NATIONAL SPACE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015 and 2014

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

Supplemental disclosure of consolidated cash flows information:

Cash paid during year ended December 31, 2015 for:

Interest	\$	0
Income taxes	\$	0

Disposal of Fixed Assets during year ended December 31, 2015	\$	0
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Cash paid during year ended December 31, 2014 for:

Interest	\$	0
Income taxes	\$	0

Disposal of Fixed Assets during year ended December 31, 2014	\$	1,612
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**NOTE G – JOINT COSTS ALLOCATION**

Consistent with Generally Accepted Accounting Principles, the Society follows *ASC 958-720-50-2, Not-for-Profit Entities – Other Expenses – Disclosure – Accounting for Costs of Activities That Include Fundraising* (formerly *SOP 98-2, Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities That Include Fund Raising*) to report a portion of its specific joint costs from combined educational campaigns and fundraising solicitations as program costs. As of December 31, 2015 and December 31, 2014, aggregate joint costs amounted to \$42,538 and \$41,168, respectively.

Aggregate joint costs as of December 31, 2015 and December 31, 2014, were allocated to the following functional expense categories:

	<u>2015</u>	<u>2014</u>
Program expenses	\$ 35,207	\$ 33,890
Management and general	0	0
Fundraising	<u>7,331</u>	<u>7,278</u>
Total joint costs	<u>\$ 42,538</u>	<u>\$ 41,168</u>

**NOTE H – SUBSEQUENT EVENTS**

In preparing the financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through September 23, 2016, the date of the audit report.



NATIONAL SPACE SOCIETY  
SCHEDULE OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2015

	Program Services			Supporting Services			Total Expenses
	Education and Communication	Policy and Research	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Accounting and legal	\$ 11,971	\$ 5,131	\$ 17,102	\$ 1,466	\$ 977	\$ 2,443	\$ 19,545
Advertising	1,000	0	1,000	0	0	0	1,000
Association - management fee and facility expense - NOTE D	66,392	28,454	94,846	8,129	5,420	13,549	108,395
Rent- DC Office	0	0	0	1,000	0	1,000	1,000
Authors and artwork	7,175	0	7,175	0	0	0	7,175
Bad debt expense	0	0	0	4,500	0	4,500	4,500
Bank charges	0	0	0	419	0	419	419
EIS Bank charges	0	0	0	275	0	275	275
Building expense	10,870	0	10,870	3,623	0	3,623	14,493
Computer services	11,766	0	11,766	3,312	0	3,312	15,078
Conferences and registration expenses	153,981	0	153,981	0	0	0	153,981
Contract services	30,467	0	30,467	10,155	0	10,155	40,622
Courier	0	0	0	2,942	0	2,942	2,942
Credit card fees	0	0	0	9,116	0	9,116	9,116
EIS Credit card fees	0	0	0	254	0	254	254
Depreciation	0	0	0	0	0	0	0
Design and layout	62,957	0	62,957	0	0	0	62,957
Email list management	8,538	0	8,538	0	0	0	8,538
Education and Training	24	0	24	0	0	0	24
Express / overnight delivery	553	237	790	67	45	112	902
Gen. Merchandise Exp - Patches	5,434	0	5,434	0	0	0	5,434
Insurance	4,090	1,753	5,843	501	334	835	6,678
Interest expense	0	0	0	3	0	3	3
Investment Advisory Fees	0	0	0	2,276	0	2,276	2,276
Mailing services	0	50,795	50,795	0	0	0	50,795
Meals	133	0	133	45	0	45	178
Office supplies	0	0	0	2,267	0	2,267	2,267
PayPal expenses	3,540	0	3,540	0	0	0	3,540
Payroll and related taxes	147	63	210	18	12	30	240
Postage and delivery	23,551	21,008	44,559	1,328	0	1,328	45,887
Press/Public Relations	5,695	0	5,695	0	0	0	5,695
Printing and copying services	62,604	11,183	73,787	516	3,514	4,030	77,817
Projects	19,160	0	19,160	0	0	0	19,160
Recruitment incentives	0	1,275	1,275	0	0	0	1,275
Shipping & Handling	6,371	0	6,371	0	0	0	6,371
Scholarships	5,000	0	5,000	0	0	0	5,000
State registrations	2,517	0	2,517	0	10,070	10,070	12,587
Teleconference, telephone and telemarketing expense	0	0	0	5,006	0	5,006	5,006
Temporary help	3,249	0	3,249	1,083	0	1,083	4,332
Travel/transportation	3,001	0	3,001	1,001	0	1,001	4,002
Video	41,421	0	41,421	13,807	0	13,807	55,228
<b>TOTAL</b>	<b>\$ 551,607</b>	<b>\$ 119,899</b>	<b>\$ 671,506</b>	<b>\$ 73,109</b>	<b>\$ 20,372</b>	<b>\$ 93,481</b>	<b>\$ 764,987</b>

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NATIONAL SPACE SOCIETY  
SCHEDULE OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2014

	Program Services			Supporting Services			Total Expenses
	Education and Communication	Policy and Research	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Accounting and legal	\$ 15,086	\$ 6,466	\$ 21,552	\$ 1,847	\$ 1,232	\$ 3,079	\$ 24,631
Accommodations and meals	0	0	0	0	0	0	0
Advertising	0	0	0	0	0	0	0
Association - management fee and facility expense - NOTE D	59,028	25,297	84,325	7,228	4,819	12,047	96,372
Authors and artwork	4,750	0	4,750	0	0	0	4,750
Bad debt expense	0	0	0	0	0	0	0
Bank charges	0	0	0	1,369	0	1,369	1,369
Building expense	6,829	0	6,829	2,277	0	2,277	9,106
Computer services	14,487	0	14,487	4,259	0	4,259	18,746
Conferences and registration expenses	149,108	0	149,108	0	0	0	149,108
Contract services	22,200	0	22,200	7,400	0	7,400	29,600
Copy service	0	0	0	0	0	0	0
Cost of books sold	0	0	0	0	0	0	0
Courier	0	0	0	1,744	0	1,744	1,744
Credit card fees	0	0	0	6,902	0	6,902	6,902
Depreciation	0	0	0	538	0	538	538
Design and layout	54,187	0	54,187	0	0	0	54,187
Email list management	3,774	0	3,774	0	0	0	3,774
Express / overnight delivery	2,026	868	2,894	248	165	413	3,307
Insurance	4,560	1,955	6,515	559	372	931	7,446
Interest expense	0	0	0	0	0	0	0
Mailing services	0	55,670	55,670	0	0	0	55,670
Meals	0	0	0	0	0	0	0
Miscellaneous	0	0	0	5,181	0	5,181	5,181
Office supplies	0	0	0	208	0	208	208
PayPal expenses	4,527	0	4,527	0	0	0	4,527
Payroll and related taxes	505	216	721	62	41	103	824
Postage and delivery	21,767	27,263	49,030	1,207	0	1,207	50,237
Printing and copying services	51,798	37,756	89,554	437	291	728	90,282
Projects	921	0	921	0	0	0	921
Recruitment incentives	0	561	561	0	0	0	561
Refunds	0	0	0	0	0	0	0
Scholarships	5,000	0	5,000	0	0	0	5,000
State registrations	14,432	0	14,432	0	3,608	3,608	18,040
Teleconference, telephone and telemarketing expense	0	0	0	2,750	0	2,750	2,750
Temporary help	2,576	0	2,576	858	0	858	3,434
Travel/transportation	2,859	0	2,859	953	0	953	3,812
Video	300	0	300	100	0	100	400
<b>TOTAL</b>	<b>\$ 440,720</b>	<b>\$ 156,052</b>	<b>\$ 596,772</b>	<b>\$ 46,127</b>	<b>\$ 10,528</b>	<b>\$ 56,655</b>	<b>\$ 653,427</b>

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