



# **rails-to-trails** conservancy

## **Financial Statements**

*For the Year Ended September 30, 2008*

*(With Summarized Financial Information for the Year Ended September 30, 2007)*



**and**  
**Report Thereon**





## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Rails-to-Trails Conservancy

CONSULTING  
ACCOUNTING  
TECHNOLOGY

*Certified Public  
Accountants*

We have audited the accompanying statement of financial position of Rails-to-Trails Conservancy (the Conservancy) as of September 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Conservancy's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Conservancy's 2007 financial statements and, in our report dated December 14, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Conservancy's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Conservancy as of September 30, 2008, and the changes in its net assets and its 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 supplemental schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information for the year ended September 30, 2008 has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**RAFFA, P.C.**

Washington, DC  
January 12, 2009

**RAILS-TO-TRAILS CONSERVANCY**  
**STATEMENT OF FINANCIAL POSITION**  
September 30, 2008  
(With Summarized Financial Information for the Year Ended September 30, 2007)

	2008	2007
<b>ASSETS</b>		
Cash and cash equivalents	\$ 442,761	\$ 204,595
Investments	867,333	1,223,169
Accounts receivable	240,648	470,253
Pledges and grants receivable	532,587	356,097
Prepaid expenses and other assets	104,716	125,913
Inventory	42,942	30,793
Net property and equipment	663,056	25,043
<b>TOTAL ASSETS</b>	\$ 2,894,043	\$ 2,435,863
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 441,644	\$ 475,744
Grants payable	4,762	4,762
Refundable advances	45,750	9,128
Deferred lease incentive	552,639	-
Deferred rent	45,150	9,706
<b>TOTAL LIABILITIES</b>	1,089,945	499,340
<b>Net Assets</b>		
Unrestricted	277,209	598,907
Temporarily restricted	897,811	708,538
Permanently restricted	629,078	629,078
<b>TOTAL NET ASSETS</b>	1,804,098	1,936,523
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 2,894,043	\$ 2,435,863

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

**RAILS-TO-TRAILS CONSERVANCY**

**STATEMENT OF ACTIVITIES**

**For the Year Ended September 30, 2008**

**(With Summarized Financial Information for the Year Ended September 30, 2007)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2008 Total</u>	<u>2007 Total</u>
<b>OPERATING REVENUE AND SUPPORT</b>					
Membership dues	\$ 2,238,340	\$ -	\$ -	\$ 2,238,340	\$ 2,317,150
Grants and contributions:					
Contributions	1,904,070	100,000	-	2,004,070	1,820,886
Grants	28,499	358,884	-	387,383	476,999
Corporate sponsors	88,442	325,000	-	413,442	88,834
Workplace giving	424,874	-	-	424,874	398,052
Program revenues:					
Contracts	528,589	-	-	528,589	667,907
Meetings and events	1,050	-	-	1,050	367,514
Merchandise and publications	54,967	-	-	54,967	58,672
Rental income	109,497	-	-	109,497	183,498
Other income	50,617	-	-	50,617	70,602
Investment income	50,449	-	-	50,449	50,063
Net assets released from restrictions:					
Satisfaction of program restrictions	544,611	(544,611)	-	-	-
Satisfaction of time restrictions	50,000	(50,000)	-	-	-
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<u>6,074,005</u>	<u>189,273</u>	<u>-</u>	<u>6,263,278</u>	<u>6,500,177</u>
<b>OPERATING EXPENSES</b>					
Program services:					
Direct Project Assistance/Research	1,012,841	-	-	1,012,841	1,737,150
Regional Programs	1,045,314	-	-	1,045,314	1,348,664
Public Information/Education	1,259,791	-	-	1,259,791	1,017,261
National Policy	821,701	-	-	821,701	813,946
Member Programs	361,021	-	-	361,021	300,465
Trail Conservancy	23,603	-	-	23,603	59,416
<b>Total Program Services</b>	<u>4,524,271</u>	<u>-</u>	<u>-</u>	<u>4,524,271</u>	<u>5,276,902</u>
Supporting services:					
Administrative services	728,731	-	-	728,731	841,750
Fundraising	929,132	-	-	929,132	845,199
<b>Total Supporting Services</b>	<u>1,657,863</u>	<u>-</u>	<u>-</u>	<u>1,657,863</u>	<u>1,686,949</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>6,182,134</u>	<u>-</u>	<u>-</u>	<u>6,182,134</u>	<u>6,963,851</u>
Change in Net Assets From Operations	(108,129)	189,273	-	81,144	(463,674)
<b>OTHER ACTIVITIES</b>					
Non-operating investment income	(213,569)	-	-	(213,569)	99,388
<b>CHANGE IN NET ASSETS</b>	<u>(321,698)</u>	<u>189,273</u>	<u>-</u>	<u>(132,425)</u>	<u>(364,286)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>598,907</u>	<u>708,538</u>	<u>629,078</u>	<u>1,936,523</u>	<u>2,300,809</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 277,209</u>	<u>\$ 897,811</u>	<u>\$ 629,078</u>	<u>\$ 1,804,098</u>	<u>\$ 1,936,523</u>

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

**RAILS-TO-TRAILS CONSERVANCY**

**STATEMENT OF CASH FLOWS**

**For the Year Ended September 30, 2008**

**(With Summarized Financial Information for the Year Ended September 30, 2007)**

**Increase (Decrease) in Cash and Cash Equivalents**

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (132,425)	\$ (364,286)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	50,707	25,923
Amortization of deferred lease incentive	(22,361)	-
Net realized gain on investments	(48,711)	(15,793)
Net unrealized loss (gain) on investments	274,154	(78,053)
Changes in assets and liabilities:		
Accounts receivable	229,605	(183,377)
Pledges and grants receivable	(176,490)	176,646
Prepaid expenses and other assets	21,197	(13,749)
Inventory	(12,149)	(11,064)
Accounts payable and accrued expenses	(34,100)	(24,718)
Grants payable	-	(110,228)
Refundable advances	36,622	-
Deferred lease incentive	575,000	-
Deferred rent	35,444	(11,534)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>796,493</u>	<u>(610,233)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	810,382	228,743
Purchases of investments	(679,989)	(83,727)
Proceeds from sale of land held for trail development	-	47,500
Purchases of property and equipment	(688,720)	(9,967)
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>	<u>(558,327)</u>	<u>182,549</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	238,166	(427,684)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>204,595</u>	<u>632,279</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 442,761</u>	<u>\$ 204,595</u>

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

# **RAILS-TO-TRAILS CONSERVANCY**

## **NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2008**

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1. Organization and Summary of Significant Accounting Policies

**Organization**

Rails-to-Trails Conservancy (the Conservancy), the nation's largest trails organization with over 100,000 members and donors, is dedicated to working with communities to preserve and transform unused rail corridors into linear parks that enhance the health of America's environment, economy, neighborhoods and people. Founded in 1985, the Conservancy is located in Washington, DC and has four regional offices. The Conservancy's activities are funded primarily through membership dues and contributions. The Conservancy's major program services are as follows:

*Regional Programs* – The Conservancy maintains regional offices in the Northeast, Midwest, South and West to support rail-trail development at the local level. Field office activities include promotion of local policy to support trail building, development of statewide trail inventories and development plans, technical assistance for local projects, and training and education for communities and trail building groups.

*Direct Project Assistance/Research* – The Conservancy assists in building trails through a variety of programs. An early warning system notifies communities, state and local agencies of upcoming railway abandonment. Technical assistance is provided through a Trails and Greenways Clearinghouse and through a TrailDart Program that provides a development assistance response team for rail-trail projects. The Conservancy's work with corporate and foundation partners has allowed the Conservancy to provide direct financial support and amenities to trail projects and open trails.

*Public Information/Education* – The Conservancy promotes the benefits of rail-trails to the public. Rail-trails provide places for cyclists, hikers, walkers, and runners to exercise and experience the many natural and cultural wonders of the nation's environments. By providing a place for so many types of recreational use, rail-trails can greatly help to improve public health. The Conservancy provides rail-trail information through their website, quarterly magazine, media outlets and publications. The Conservancy's mapping initiative will enrich trail information with interactive GIS maps which will also serve the Conservancy's trail development and policy initiatives.

*National Policy* – The Conservancy promotes policy at the national and state levels to create the conditions that make trail building possible. The Conservancy is a leader in the fight to protect the Federal Transportation Enhancements programs which is the largest source of funding for trail development. The Conservancy steadfastly defends the Federal Railbanking Statute in Congress and the courts as an essential tool to preserve unused rail corridors. The Conservancy also monitors litigation on cases involving enforcement of Federal laws related to rail banking.

**Continued**

## **RAILS-TO-TRAILS CONSERVANCY**

### **NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2008**

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1. Organization and Summary of Significant Accounting Policies (continued)

*Member Programs* - In addition to the programs provided to members through public information and education, the Conservancy is also digitizing member and constituent information and trails information; creating a centralized database that will assist the Conservancy in identifying opportunities for linking trail systems and catalyzing support of trail projects. Other activities include delivery of member benefit and service programs.

*Trail Conservancy* – The Conservancy promotes the preservation of rail corridors for trail creation. The program generally involves the acquisition of abandoned rail corridors on behalf of the Conservancy. The Conservancy has purchased rail corridors in approximately ten states across the country.

#### **Cash Equivalents**

The Conservancy considers all highly liquid investments not held for long-term investment purposes with purchased maturities of three months or less to be cash equivalents.

#### **Investments**

Investments consist of cash and cash equivalents held for investment purposes, mutual funds, fixed income securities and equity securities. These investments are reported in the accompanying financial statements at their fair value, as based upon quoted market prices as of September 30<sup>th</sup>.

#### **Pledges, Grants and Accounts Receivable**

Pledges and grants receivable represent contributions from foundations and corporations. Accounts receivable consist of amounts due as reimbursements for expenses incurred under contract terms and amounts due for event registrations, sponsorships and sublessee occupancy expenses paid by the Conservancy on behalf of the sublessee. All receivables are considered fully collectible and are due to be received during the year ending September 30, 2009.

#### **Property and Equipment and Related Depreciation and Amortization**

Property and equipment are stated at cost and are principally depreciated on a straight-line basis over the estimated useful lives of the respective assets, which range from three to seven years. Leasehold improvements are amortized over the shorter of the lease period or useful life of the improvements. Expenditures for major repairs and improvements are capitalized; conversely, expenditures for minor repairs and maintenance costs are expensed when incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in revenue or expenses

Continued

## **RAILS-TO-TRAILS CONSERVANCY**

### **NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2008**

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1. Organization and Summary of Significant Accounting Policies (continued)

#### **Classification of Net Assets**

The net assets of the Conservancy are reported as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for support of the Conservancy's operations.
- Temporarily restricted net assets represent amounts that are specifically restricted by donors or grantors for various purposes or future time periods.
- Permanently restricted net assets represent endowment gifts with donor stipulations requiring that the principal be held in perpetuity and permit only the income to be spent for the purpose designated by the donor.

#### **Revenue Recognition**

Membership dues are considered contributions under Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and are recognized as unrestricted revenue when received.

The Conservancy recognizes all unconditional contributed support in the period in which the commitment is made. The Conservancy reports grants of cash and other assets as temporarily restricted if they are received with donor stipulations that limit the use of the donated assets as to a particular purpose or to future periods. When the stipulated time restriction ends or the purpose of the restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions. Revenue recognized on grants and contributions which have been promised to the Conservancy but have not been received is reflected as pledges and grants receivable in the accompanying statement of financial position.

Contract revenue is recognized as costs are incurred on the basis of direct costs plus allowable indirect expenses. Revenue recognized on contracts for which billings have not been presented to or collected from the awarding agency is included in accounts receivable in the accompanying statement of financial position. Amounts received but not yet expended for the purpose of the contract are reflected as refundable advances in the accompanying statement of financial position.

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# RAILS-TO-TRAILS CONSERVANCY

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2008

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1. Organization and Summary of Significant Accounting Policies (continued)

### Functional Allocation of Expenses

The costs of the various programs and other activities are summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services based upon various methods deemed to justify the benefits received by the programs and supporting services.

### Measure of Operations

The Conservancy considers investment earnings (losses) on permanently restricted investments in excess of the approved spending rate to be non-operating in nature.

### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Investments

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

	<u>Cost</u>	<u>Fair Value</u>
Mutual funds – fixed income	\$ 243,889	\$ 220,997
Mutual funds – equity securities	612,182	526,228
Fixed income securities	50,000	50,000
Equity securities	128	128
Cash and cash equivalents	<u>69,980</u>	<u>69,980</u>
Total	<u>\$ 976,179</u>	<u>\$ 867,333</u>

Investment returns for the year ended September 30, 2008, are summarized as follows:

Interest and dividends	\$ 62,323
Unrealized losses on investments	(274,154)
Realized gains on investments	<u>48,711</u>
Total	<u>\$ (163,120)</u>

Continued

**RAILS-TO-TRAILS CONSERVANCY**

**NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2008**

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3. Property and Equipment and Accumulated Depreciation and Amortization

The Conservancy held the following property and equipment as of September 30, 2008:

Furniture and equipment	\$ 270,044
Leasehold improvements	<u>597,932</u>
Total fixed assets	867,976
Less: Accumulated depreciation and amortization	<u>(204,920)</u>
Net Property and Equipment	<u>\$ 663,056</u>

4. Net Assets

**Temporarily Restricted Net Assets**

Temporarily restricted net assets of the Conservancy are available for the following programs or time periods as of September 30, 2008:

Direct Project Assistance	\$ 209,492
Public Information/Education	300,000
Regional Programs	173,211
Trail Conservancy	121,608
National Policy Program	40,000
General operations for the year ending September 30, 2009	<u>53,500</u>
Total Temporarily Restricted Net Assets	<u>\$ 897,811</u>

**Permanently Restricted Net Assets**

During the year ended September 30, 1997, the Conservancy established the Langdon Gates Burwell Endowment Fund (the Fund). This Fund was established with a gift of stock valued at \$334,645 at the date of the gift. The donor stipulated that the principal be invested in perpetuity but thirty years from the date of the gift, the Fund will revert to the general endowment of the Conservancy. Investment earnings are available to support general operations of the Conservancy. Under the Conservancy's investment policy, earnings on this fund, up to 5% of the Fund's market value of the prior year, are considered available for current operations while the remainder is considered non-operating investment income.

## **RAILS-TO-TRAILS CONSERVANCY**

### **NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2008**

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4. Net Assets (continued)

**Permanently Restricted Net Assets (continued)**

During the year ended September 30, 1998, the Conservancy received another endowment gift of \$250,000. The donor requested that half of the annual earnings from the endowment be used for general operating expenses and recommended that the other half be used to increase the endowment, with an allowance for the Board of Directors of the Conservancy to override this provision. The Conservancy's Board of Directors resolved that all investment earnings on this fund would be considered unrestricted and available to support general operations. Under the Conservancy's investment policy, earnings on this fund, up to 5% of the fund's market value of the prior year, are considered available for current operations while the remainder is considered non-operating investment income.

5. Office Leases

The Conservancy is obligated under non-cancelable operating leases for office space in Washington, DC, Pennsylvania, Ohio and California. The leases expire at various dates through February 2023. A portion of the Washington, DC and California office space has been subleased under five and three-year non-cancelable agreements.

The Washington, DC and California leases provide for rent adjustments based on increases in real estate taxes and operating expenses as well as increases in the base rent of 2.5% per year. The Washington, DC lease also provided for an allowance of up to \$575,000 for building improvements as an incentive to enter into the lease. Under accounting principles generally accepted in the United States of America, all fixed rent increases and lease incentives are recognized on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as deferred rent and deferred lease incentive in the accompanying statement of financial position.

In addition, the Conservancy leases certain equipment and vehicles under non-cancelable operating leases that expire through 2012.

## RAILS-TO-TRAILS CONSERVANCY

### NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2008

#### 5. Office Leases (continued)

As of September 30, 2008, total future minimum lease payments for the operating leases, net of the sub-lease rental income, are as follows:

<u>For the Years Ending September 30,</u>	<u>Total</u>	<u>Sublease</u>	<u>Net</u>
2009	\$ 405,223	\$ 16,800	\$ 388,423
2010	399,133	7,200	391,933
2011	375,435	3,000	372,435
2012	374,543	3,600	370,943
2013	359,853	-	359,853
Thereafter	<u>3,941,730</u>	<u>-</u>	<u>3,941,730</u>
Total	<u>\$5,855,917</u>	<u>\$ 30,600</u>	<u>\$5,825,317</u>

Rent expense under these leases was \$478,232 for the year ended September 30, 2008.

#### 6. Contributed Services

The Conservancy received approximately \$103,606 of donated professional services during the year ended September 30, 2008, primarily consisting of donated legal services provided in cases affecting the Conservancy's interests and donated advertising. This amount is included in contributions in the accompanying statement of activities and in professional fees and advertising in the accompanying supplemental schedule of functional expenses. The programs benefited from these contributed professional services are the National Policy program in the amount of \$63,606 and the Public Information and Education program in the amount of \$40,000.

#### 7. Commitments and Risks

##### Line of Credit

The Conservancy entered into a revolving line of credit agreement with a bank. Under the agreement, the Conservancy can borrow up to \$100,000. Interest accrues daily at 8.25% and is payable monthly. No amounts were advanced under this agreement during the year ended September 30, 2008 and there was no balance due as of September 30, 2008. The line of credit agreement expires April 1, 2010.

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**RAILS-TO-TRAILS CONSERVANCY**

**NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2008**

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7. Commitments and Risks (continued)

**Concentration of Credit Risk**

The Conservancy maintains its cash and cash equivalents in various bank deposit accounts which, at times, exceed federally insured limits, and, therefore, bear some risk. The amount in excess of the limit guaranteed by Federal agencies was \$285,209 as of September 30, 2008. The Conservancy has not experienced, nor does it anticipate, any loss of funds. Subsequent to year-end, on October 3, 2008, the U.S. Government increased the amount guaranteed by the Federal Deposit Insurance Corporation from \$100,000 to \$250,000 per depositor, per bank.

8. Retirement Plan

The Conservancy maintains a tax deferred annuity plan for all employees that is qualified under Section 403(b) of the Internal Revenue Code. Participating employees may make salary reduction contributions to the Plan up to the maximum amount permitted by the Internal Revenue Code. Employer contributions are discretionary. During the year ended September 30, 2008, the Conservancy made a discretionary contribution of 6% of each participant's compensation to the Plan.

Employer contributions are subject to the following vesting requirements:

<u>Competed Years of Service</u>	<u>Percent Vested</u>
Less than 1	0%
1 but less than 2	50%
More than 2	100%

Retirement expense for the year ended September 30, 2008 was \$123,977 and is included in salaries and related expenses in the accompanying supplemental schedule of functional expenses.

9. Allocation of Joint Costs

During the year ended September 30, 2008, the Conservancy incurred joint costs of \$1,739,592 from activities such as direct mail and telemarketing that included both educational materials and fundraising appeals. Of those costs, \$576,335 was allocated to programs, \$928,733 was allocated to fundraising, and \$234,524 to administrative services expenses.

**RAILS-TO-TRAILS CONSERVANCY**

**NOTES TO FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2008**

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10. Income Taxes

The Conservancy is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity. No provision for income taxes was required for the year ended September 30, 2008 as the Conservancy had no net unrelated business income.

11. Prior Year Summarized Financial Information

The accompanying 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Conservancy's financial statements for the year ended September 30, 2007, from which the summarized information was derived.

12. Reclassifications

Certain 2007 amounts have been reclassified to conform with the 2008 presentation.

**SUPPLEMENTAL INFORMATION**

**RAILS-TO-TRAILS CONSERVANCY**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
For the Year Ended September 30, 2008  
(With Summarized Financial Information for the Year Ended September 30, 2007)

	Program Services						Supporting Services			2008 Total	2007 Total	
	Direct Project Assistance/ Research	Regional Programs	Public Information/ Education	National Policy	Member Programs	Trail Conservancy	Total Program Services	Administrative Services	Fundraising			Total Supporting Services
Salaries and related expenses	\$ 490,901	\$ 763,052	\$ 546,470	\$ 471,972	\$ 69,358	\$ 21,006	\$ 2,362,759	\$ 301,977	\$ 240,772	\$ 542,749	\$ 2,905,508	\$ 2,919,249
Printing and production	113,200	2,881	143,529	26,434	12,389	-	298,433	49,901	127,334	177,235	475,668	562,626
Postage and delivery	118,892	1,876	84,332	633	4,278	-	210,011	54,359	206,979	261,338	471,349	635,509
Professional fees	46,803	67,796	111,112	144,716	51,929	-	422,356	71,424	183,012	254,436	676,792	787,748
Rent	-	70,602	-	-	-	-	70,602	407,630	-	407,630	478,232	496,843
List management services	61,281	-	13,968	-	108,865	-	184,114	21,039	69,740	90,779	274,893	346,178
Travel, meals, and entertainment	17,788	39,474	52,006	48,083	-	-	157,351	27,856	17,417	45,273	202,624	400,540
Merchandise costs	-	-	37,307	-	82,401	-	119,708	14,224	11,181	25,405	145,113	91,342
Office expenses and supplies	476	17,849	2,187	140	-	-	20,652	107,647	78	107,725	128,377	136,717
Grants and scholarships	-	62,337	-	-	-	-	62,337	-	-	-	62,337	236,530
Telephone and facsimile	4,874	11,845	386	3,171	869	-	21,145	74,387	10	74,397	95,542	86,149
Miscellaneous	82	56	52,262	-	-	-	52,400	11,422	4,695	16,117	68,517	87,890
Business insurance	-	-	-	-	-	-	-	26,378	-	26,378	26,378	25,715
Depreciation and amortization	-	3,458	-	-	-	-	3,458	47,249	-	47,249	50,707	25,923
Bank fees	-	-	9,611	-	5,904	-	15,515	8,926	11,177	20,103	35,618	28,658
Meetings	-	-	-	1,750	-	-	1,750	100	-	100	1,850	25,125
Advertising and media	809	-	40,000	503	-	-	41,312	4,901	2,000	6,901	48,213	17,677
Staff development	355	3,418	100	2,294	-	-	6,167	1,583	66	1,649	7,816	7,438
Taxes and licenses	-	317	225	-	3,458	-	4,000	417	340	757	4,757	34,618
Dues and subscriptions	1,585	353	3,655	8,000	635	-	14,228	300	7,315	7,615	21,843	11,376
Indirect cost allocation	155,795	-	162,641	114,005	20,935	2,597	455,973	(502,989)	47,016	(455,973)	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 1,012,841</b>	<b>\$ 1,045,314</b>	<b>\$ 1,259,791</b>	<b>\$ 821,701</b>	<b>\$ 361,021</b>	<b>\$ 23,603</b>	<b>\$ 4,524,271</b>	<b>\$ 728,731</b>	<b>\$ 929,132</b>	<b>\$ 1,657,863</b>	<b>\$ 6,182,134</b>	<b>\$ 6,963,851</b>