

Financial Statements and Report of Independent
Certified Public Accountants

The Student Conservation Association, Inc.

March 31, 2013 and 2012

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
The Student Conservation Association, Inc.

Report on the financial statements

We have audited the accompanying financial statements of The Student Conservation Association, Inc. (the "Entity"), which comprise the statements of financial position as of March 31, 2013 and 2012, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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.

Grant Thornton LLP
75 State Street, 13th Floor
Boston, MA 02109-1827
T 617.723.7900
F 617.723.3640
GrantThornton.com
linkd.in/GrantThorntonUS
twitter.com/GrantThorntonUS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Student Conservation Association, Inc. as of March 31, 2013 and 2012, 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.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary 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 audits of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Grant Thornton LLP

Boston, Massachusetts

December 18, 2013

THE STUDENT CONSERVATION ASSOCIATION, INC.

Statements of Financial Position

March 31, 2013 and 2012

ASSETS		
	2013	2012
Cash and cash equivalents	\$ 736,470	\$ 116,685
Restricted cash - debt service	83,341	83,336
Billed and unbilled contracts receivable, less allowance for doubtful accounts of \$7,693 and \$86,077, respectively	5,844,593	5,992,906
Foundation and corporate grants receivable	1,015,764	655,000
Contributions receivable	-	221,143
Charitable remainder trusts	240,325	224,901
Prepaid expenses and other assets	1,204,564	979,390
Investments	8,064,195	7,671,037
Bond issuance costs, net of accumulated amortization of \$28,830 and \$23,508, respectively	77,619	82,942
Property and equipment, net	5,653,021	5,730,018
Total assets	<u>\$ 22,919,892</u>	<u>\$ 21,757,358</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 1,978,545	\$ 1,047,087
Accrued expenses	1,443,338	1,334,730
Line of credit	5,799,018	5,065,993
Capital lease obligations	42,352	67,147
Debt payable	2,200,000	2,300,000
Fair value of interest rate swap	447,752	457,063
Liability under split-interest agreements	1,070,527	1,095,241
Total liabilities	<u>12,981,532</u>	<u>11,367,261</u>
Net assets		
Unrestricted	3,157,479	4,164,011
Temporarily restricted	2,594,180	2,273,340
Permanently restricted	4,186,701	3,952,746
Total net assets	<u>9,938,360</u>	<u>10,390,097</u>
Total liabilities and net assets	<u>\$ 22,919,892</u>	<u>\$ 21,757,358</u>

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

THE STUDENT CONSERVATION ASSOCIATION, INC.
Statements of Activities
For the years ended March 31, 2013 and 2012

	2013						2012					
	Unrestricted			Temporarily Restricted	Permanently Restricted	Total	Unrestricted			Temporarily Restricted	Permanently Restricted	Total
	Undesignated	Board Designated	Total				Undesignated	Board Designated	Total			
Operating revenues												
Contract and agency revenue	\$ 24,028,515	\$ -	\$ 24,028,515	\$ -	\$ -	\$ 24,028,515	\$ 25,024,258	\$ -	\$ 25,024,258	\$ -	\$ -	\$ 25,024,258
Foundation and corporate gifts and grants	6,398,072	160,000	6,558,072	1,248,100	-	7,806,172	3,411,699	291,200	3,702,899	1,184,184	-	4,887,083
Individual giving	2,430,368	3,116,515	5,546,883	15,424	235,410	5,797,717	2,370,657	1,957,450	4,328,107	-	110,937	4,439,044
Other income	178,071	-	178,071	-	-	178,071	138,588	-	138,588	-	-	138,588
Total operating revenues	33,035,026	3,276,515	36,311,541	1,263,524	235,410	37,810,475	30,945,202	2,248,650	33,193,852	1,184,184	110,937	34,488,973
Net assets released from restrictions	2,729,653	(1,498,231)	1,231,422	(1,231,422)	-	-	2,272,643	(258,772)	2,013,871	(2,013,871)	-	-
Total operating revenues	35,764,679	1,778,284	37,542,963	32,102	235,410	37,810,475	33,217,845	1,989,878	35,207,723	(829,687)	110,937	34,488,973
Operating expenses												
Program expenses:												
Field expenses	21,087,920	117,191	21,205,111	-	-	21,205,111	21,886,255	61,732	21,947,987	-	-	21,947,987
Program support and development	8,953,318	1,303,010	10,256,328	-	-	10,256,328	5,687,798	509,870	6,197,668	-	-	6,197,668
Participant recruitment	1,328,770	33,832	1,362,602	-	-	1,362,602	1,387,258	19,794	1,407,052	-	-	1,407,052
Total program expenses	31,370,008	1,454,033	32,824,041	-	-	32,824,041	28,961,311	591,396	29,552,707	-	-	29,552,707
Supporting expenses:												
General and administrative	2,749,062	564,091	3,313,153	-	-	3,313,153	2,747,239	183,320	2,930,559	-	-	2,930,559
Fundraising	1,499,334	997,310	2,496,644	-	-	2,496,644	1,375,037	673,526	2,048,563	-	-	2,048,563
Total supporting expenses	4,248,396	1,561,401	5,809,797	-	-	5,809,797	4,122,276	856,846	4,979,122	-	-	4,979,122
Total operating expenses	35,618,404	3,015,434	38,633,838	-	-	38,633,838	33,083,587	1,448,242	34,531,829	-	-	34,531,829
Income (loss) from operations	146,275	(1,237,150)	(1,090,875)	32,102	235,410	(823,363)	134,258	541,636	675,894	(829,687)	110,937	(42,856)
Other income and gains (losses)												
Net return on investments	-	208,320	208,320	288,738	-	497,058	-	66,036	66,036	165,736	-	231,772
Change in value of interest rate swap	9,312	-	9,312	-	-	9,312	(160,158)	-	(160,158)	-	-	(160,158)
Change in actuarial value and amortization of split-interest agreements	-	(133,289)	(133,289)	-	(1,455)	(134,744)	-	(132,549)	(132,549)	(182)	(1,456)	(134,187)
Total other income and gains (losses)	9,312	75,031	84,343	288,738	(1,455)	371,626	(160,158)	(66,513)	(226,671)	165,554	(1,456)	(62,573)
Increase (decrease) in net assets	155,587	(1,162,119)	(1,006,532)	320,840	233,955	(451,737)	(25,900)	475,123	449,223	(664,133)	109,481	(105,429)
Net assets, beginning of year	(1,095,998)	5,260,009	4,164,011	2,273,340	3,952,746	10,390,097	(1,070,098)	4,784,886	3,714,788	2,937,473	3,843,265	10,495,526
Net assets, end of year	\$ (940,411)	\$ 4,097,890	\$ 3,157,479	\$ 2,594,180	\$ 4,186,701	\$ 9,938,360	\$ (1,095,998)	\$ 5,260,009	\$ 4,164,011	\$ 2,273,340	\$ 3,952,746	\$ 10,390,097

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

THE STUDENT CONSERVATION ASSOCIATION, INC.

Statements of Cash Flows

For the years ended March 31, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Decrease in net assets	\$ (451,737)	\$ (105,429)
Noncash items included in increase/decrease in net assets:		
Depreciation and amortization	786,978	745,801
Net realized and unrealized gains on investments	(348,987)	(94,595)
Earnings on matured split-interest agreements	(33,027)	(19,377)
Amortization of discount on split-interest agreements	58,410	60,299
Change in valuation of interest rate swap	(9,312)	160,158
Change in actuarial valuation of split-interest agreements	76,333	73,706
Contributions restricted for long term purposes	(235,334)	(110,937)
Contributed assets	(163,300)	(247,610)
Changes in assets and liabilities:		
Receivables and split interest trusts	(6,732)	(620,389)
Prepaid expenses and other assets	(59,851)	352,813
Accounts payable	931,458	(72,406)
Accrued expenses	108,608	87,776
Deferred revenue	-	(81,800)
Net cash provided by operating activities	<u>653,507</u>	<u>128,010</u>
Cash flows from investing activities		
Additions of property and equipment	(706,680)	(1,100,058)
Purchase of investments	(134,429)	(357,029)
Proceeds from sales of investments	90,258	477,074
Net cash used in investing activities	<u>(750,851)</u>	<u>(980,013)</u>
Cash flows from financing activities		
Cash restricted for debt service	(5)	139
Net proceeds from line of credit	733,025	1,369,225
Principal payments on long term debt	(100,000)	(600,000)
Principal payments on capital lease obligations	(24,795)	(47,888)
Proceeds from new obligations under split-interest agreements	48,594	85,921
Obligations paid under split-interest agreements	(175,024)	(172,197)
Contributions restricted for long term purposes	235,334	110,937
Net cash provided by financing activities	<u>717,129</u>	<u>746,137</u>
Net increase/(decrease) in cash	619,785	(105,866)
Cash and cash equivalents, beginning of year	<u>116,685</u>	<u>222,551</u>
Cash and cash equivalents, end of year	<u>\$ 736,470</u>	<u>\$ 116,685</u>
<u>Supplemental disclosures of cash flows information</u>		
Cash paid during the year for interest	<u>\$ 297,997</u>	<u>\$ 267,924</u>
Other non-cash investing and financing activities:		
Capital lease proceeds	-	61,200
In-kind contributions	2,798,980	425,917
Life insurance policy contribution	-	112,158
Total other non-cash investing and financing items	<u>\$ 2,798,980</u>	<u>\$ 599,275</u>

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

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements

For the Years Ending March 31, 2013 and 2012

NOTE A - NATURE OF ACTIVITIES

The Student Conservation Association, Inc., (the Association) is a not-for-profit organization incorporated in New York State for the purposes of building the next generation of conservation leaders and inspiring lifelong stewardship of our environment and communities. The Association engages young people in hands-on service to the land, offering opportunities for education, leadership and personal development in projects conducted throughout the United States of America.

The Association's national headquarters is located in Arlington, VA. Additionally, the Association maintains offices in New Hampshire, New York, California, Idaho, Illinois, Pennsylvania, Texas and Washington.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Association reports 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. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income and gains, if any, on related investments for general or specific purposes.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met by actions of the Association and/or the passage of time.

Unrestricted net assets - Net assets not subject to donor-imposed stipulations which the Association may use at its discretion.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions or by law. Expenses are reported as decreases in unrestricted net assets except where related to donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Expirations of temporary restrictions on net assets, that is, when the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions between the applicable classes of net assets.

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents

The Association considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Restricted Cash

Cash restricted for the servicing of debt on the bond at March 31, 2013 and 2012 was \$83,341 and \$83,336, respectively. Terms of the debt reserve are further discussed in Note I.

Billed and Unbilled Contracts Receivable

Contracts receivable are recorded at the amount the Association expects to collect. Receivables are primarily due from federal and state governmental agencies under the terms of various contracts. The Association maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The Association provides for estimated uncollectible amounts through a charge to operations and a credit to the allowance for doubtful accounts. Balances that remain outstanding after the Association has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable.

Revenue Recognition

Contract and Agency Revenue and Unbilled Revenue

Contract and agency revenue is recognized when the corresponding program expenditures are made in accordance with the terms of the related contracts. Unbilled revenues are revenues that are accrued based upon estimated amounts earned, but not billed, on contracts for participants in the field at the end of the period.

Foundation, Corporate and Individual Gifts and Grants

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted revenue, depending on the existence and/or nature of any donor restrictions. Revenue that is restricted is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Gifts of land, buildings, and equipment are presented as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as temporarily restricted revenue. Absent explicit donor stipulations concerning how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service (as the assets are used in the Association's activities). Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Conditional promises to give are not included in revenue until the conditions are substantially met.

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments and Investment Income

Investments in available for sale securities with readily determinable fair market values are measured at their fair market value in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Bond Issuance Costs

Administrative, legal, financing, underwriting discount, and other miscellaneous costs that were incurred in connection with the issuance of the Series 2007 bond were capitalized and are being amortized over the life of the bond. The amortization expense of debt issue costs was \$5,322 each year for the years ending March 31, 2013 and 2012, respectively, and is reflected within interest expense on the accompanying statement of activities.

Property and Equipment

The Association's policy is to capitalize assets with useful lives over one year. Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the respective assets, as follows:

Building and improvements	30 years
Equipment and software	3 - 5 years
Equipment under capital leases	Lesser of estimated useful life or lease term

Donations of property and equipment are included in revenue at their estimated fair market value. Repairs and maintenance costs are expensed when incurred. Assets are recorded as capital leases when substantially all of the benefits and risks of ownership are transferred to the Association.

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Functionality is determined based on actual time and effort versus the natural departmental classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The schedule of functional expenses is presented as a supplemental schedule.

Income Taxes

The Internal Revenue Service has determined that the Association is exempt from income taxes under Section 501(c)(3), and under Section 509(a), of the Internal Revenue Code. However, certain activities of exempt organizations, to the extent profitable, may be subject to Federal and State taxation as unrelated business income. No provision for income taxes has been made in the financial statements.

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Association follows the provisions of ASC 740, *Income Taxes*. As required by ASC 740-10, the Association recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

The Association has applied ASC 740 to all tax positions for which the statute of limitations remained open and determined there were no material unrecognized tax benefits. The Association is no longer subject to U.S. federal tax examinations by taxing authorities for years before 2010.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are used for the following accounts: unbilled contracts receivable, allowance for doubtful accounts, amortization of bond issuance costs, investments, depreciation of property and equipment, accrued expenses, valuation of interest rate swap, capital lease obligations and liability for split-interest agreements.

NOTE C - CONCENTRATIONS OF RISK

The Association maintains cash balances in financial institutions that, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

The Association contracts with state and federal agencies without collateral under various grant and cooperative agreements. Substantially all of the contracts and accounts receivable are concentrated in state and federal agencies. Approximately 61% and 69% of unrestricted operating revenues were from state and federal agencies in fiscal 2013 and 2012, respectively. Under the terms of these grants and agreements, the Association is to use these funds for the purposes specified in the grant and cooperative agreements. From time to time, the Association is subject to audits from Federal, State and local agencies. If expenditures were found not to have been made in compliance with the grants or cooperative agreements in connection with an audit, the Association might be required to repay such funds.

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE D - CONTRACT RECEIVABLES

Contract receivables consist of the following at March 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Billed receivables	\$ 3,063,988	\$ 3,198,583
Unbilled receivables	<u>2,788,288</u>	<u>2,880,400</u>
	5,852,276	6,078,983
Less allowance for doubtful accounts	<u>7,683</u>	<u>86,077</u>
Contract receivables, net	<u>\$ 5,844,593</u>	<u>\$ 5,992,906</u>

NOTE E - CONTRIBUTIONS RECEIVABLE, CHARITABLE REMAINDER TRUSTS AND GRANTS RECEIVABLE

At March 31, 2013 and 2012, the Association had outstanding contributions receivable and charitable remainder trusts of \$240,325 and \$446,044, respectively, due in:

	<u>2013</u>	<u>2012</u>
Less than one year	\$ -	\$ 221,143
One to five years	<u>240,325</u>	<u>224,901</u>
Total	<u>\$ 240,325</u>	<u>\$ 446,044</u>

At March 31, 2013 and 2012, the Association had outstanding foundation and corporate grants receivable due in:

	<u>2013</u>	<u>2012</u>
Less than one year	\$ 885,764	\$ 655,000
One to five years	<u>130,000</u>	<u>-</u>
Total	<u>\$ 1,015,764</u>	<u>\$ 655,000</u>

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Land	\$ 34,500	\$ 34,500
Buildings and improvements	5,407,196	5,401,129
Equipment under capital leases	180,267	180,267
Equipment and software	6,715,614	6,014,699
Contributed assets	20,022	17,022
	<u>12,357,599</u>	<u>11,647,617</u>
Less accumulated depreciation and amortization	<u>6,704,578</u>	<u>5,917,599</u>
Property and equipment, net	<u>\$ 5,653,021</u>	<u>5,730,018</u>

Depreciation expense of \$786,978 and \$740,479 was recorded for the years ending March 31, 2013 and 2012, respectively, and includes depreciation of capitalized leased assets. Accumulated depreciation related to capitalized leased assets was \$149,667 and \$129,531 at March 31, 2013 and 2012, respectively. Equipment not yet placed in service at March 31, 2013 and 2012 totaled \$136,909 and \$121,024, respectively.

The Association has capital leases related to computer and telephone equipment which have bargain purchase options at the end of the lease term. Future minimum lease payments related to capital lease obligations as of March 31, 2013 and 2012 are as follows:

<u>Year ending</u> <u>March 31,</u>	<u>Amount</u>
2014	\$ 18,761
2015	18,761
2016	<u>10,944</u>
Total minimum lease payments	48,466
Amount representing imputed interest at 10.38%	<u>(6,114)</u>
Obligation under capital lease	<u>\$ 42,352</u>

NOTE G - OPERATING LEASES

The Association leases facilities in several locations under operating leases that expire at various dates through 2019. Total rent expense was \$581,843 in fiscal 2013 and \$459,974 in fiscal 2012. Deferred rent totaled \$101,764 and \$32,581, respectively, due to escalation clauses within the various leases. The Association has several non-cancelable operating leases for equipment requiring total monthly payments ranging from \$25 to \$2,305 that expire at various dates through November 2016. The total equipment rental expense for these leases was \$77,701 in fiscal 2013 and \$68,433 in fiscal 2012.

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE G - OPERATING LEASES - Continued

The following is a schedule of future minimum rental payments required under facilities and equipment non-cancelable operating leases:

<u>Years ending March 31,</u>	<u>Amount</u>
2014	\$ 468,596
2015	408,978
2016	388,621
2017	374,686
2018	307,837
Thereafter	<u>264,488</u>
	<u>\$ 2,213,206</u>

NOTE H - INVESTMENTS

The Association records investments at fair value. A summary of investments as of March 31, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 104,676	\$ 24,361
Equities	793,120	874,269
Fixed income, including corporate and governmental bonds	491,673	529,654
Private mutual funds	6,562,568	6,130,595
Cash surrender value - life insurance policy	<u>112,158</u>	<u>112,158</u>
Total investments	<u>\$ 8,064,195</u>	<u>\$ 7,671,037</u>

Included in investments above is a fund maintained for the purpose of satisfying obligations related to charitable gift annuities which cannot be applied toward the payment of other debts or obligations of the Association. The balance in the segregated fund was \$1,388,969 and \$1,428,285 as of March 31, 2013 and 2012, respectively.

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE H – INVESTMENTS - Continued

The following table summarizes the total investment return and its presentation in the statement of activities for the period ending March 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividend income, net of fees	\$ 63,149	\$ 84,922	\$ 148,071
Net realized gains (losses)	(46,805)	(52,505)	(99,310)
Net unrealized losses	191,976	256,321	448,297
	<u>145,171</u>	<u>203,816</u>	<u>348,987</u>
Net return on investments	<u>\$ 208,320</u>	<u>\$ 288,738</u>	<u>\$ 497,058</u>

The following table summarizes the total investment return and its presentation in the statement of activities for the period ending March 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividend income, net of fees	\$ 56,046	\$ 81,131	\$ 137,177
Net realized gains (losses)	74,528	89,936	164,464
Net unrealized losses	(64,538)	(5,331)	(69,869)
	<u>9,990</u>	<u>84,605</u>	<u>94,595</u>
Net return on investments	<u>\$ 66,036</u>	<u>\$ 165,736</u>	<u>\$ 231,772</u>

NOTE I - DEBT

The Association has various credit facilities with Citizens Bank consisting of a revolving line of credit, a standby letter of credit, and an irrevocable direct pay letter of credit. These credit facilities require the Association to meet certain financial covenants.

On October 22, 2007, the Association issued long term tax-exempt debt consisting of \$2,600,000 Business Finance Authority of the State of New Hampshire Variable Rate Demand Revenue Bonds (The Student Conservation Association, Inc. Issue - Series 2007). Proceeds were used to finance the renovation and expansion of a building located in Charlestown, New Hampshire, the purchase of furnishings, and the payment of certain other costs related to the issuance of the Series 2007 Bonds.

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE I – DEBT - Continued

Notes payable consists of the following at March 31, 2013:

Series Bond 2007

New Hampshire Variable Rate Demand Revenue Bonds (The Student Conservation Associates, Inc. Issue - Series 2007) ("Series 2007 Bonds") dated as of October 22, 2007 with principal payments commencing May 1, 2009 at variable rates of interest (0.20% at March 31, 2013) through maturity at May 1, 2028. The bonds are collateralized by a letter of credit.

2,200,000

Total debt

\$ 2,200,000

In 2014, the Series 2007 Bonds were paid in full, and replaced with a new term note payable as outlined in Note P.

Interest Rate Swap

In connection with the Series 2007 Bonds, on November 1, 2007, the Association entered into a 20 year amortizing interest rate swap contract to manage its interest rate risk associated with the Series 2007 Bonds. The Association pays a fixed rate of 3.82% and receives a variable rate tied to 1-month LIBOR. At March 31, 2013, the Association has recognized the fair value of the swap as a liability in the statement of financial position and the unrealized loss on this swap has been recognized in the accompanying statement of activities as a loss on interest rate swap.

Debt Reserve Fund

In connection with the Series 2007 Bonds, a debt reserve account is maintained for the purpose of facilitating annual principal payments due on the bond. Installments of one-twelfth of the annual payment are transferred each month from unrestricted cash by the trustee to the reserve fund. The funds are held in trust and applied to pay the annual principal due on the bond.

Line of Credit

The revolving line of credit includes total availability of \$9,500,000, which is secured by a first security interest on all assets of the Association, with the exception of donor restricted funds, and is due on demand. Interest on the outstanding principal balance which has accrued during the preceding interest period is payable monthly. The interest rate is variable based on the one-month LIBOR plus an applicable margin of either 2.625% or 2.75% based on certain financial ratios. The variable rate at March 31, 2013 and 2012 was 2.95% and 2.99%, respectively. The balance outstanding under this line of credit was \$5,799,018 and \$5,065,993 at March 31, 2013 and 2012, respectively. The amount available on the line of credit as of March 31, 2013 and 2012 was \$3,700,982 and \$4,434,007, respectively.

As of March 31, 2013, the Association failed to meet its debt covenants related to the line of credit and subsequently established a new banking relationship. On September 30, 2013, the Association entered into agreements with a new bank that replaced the \$9,500,000 revolving line of credit with a term note in the amount of \$3,000,00 payable over five years and a revolving line of credit with a total availability of \$6,500,000. The revolving line of credit is secured by all billed and unbilled account receivables. Interest on the outstanding principal balance which has accrued during the preceding interest period is payable monthly. The interest rate is variable based on the one-month LIBOR plus 1.95%

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE I – DEBT - Continued

Interest expense related to the line of credit and the long-term debt was \$291,967 and \$264,282 for the years ending March 31, 2013 and 2012, respectively.

Commitments - Letters of Credit

At March 31, 2013 and 2012, the Association has an outstanding irrevocable direct pay letter of credit from Citizens Bank with total availability of \$2,232,548 and \$2,334,027, respectively, for the Series 2007 Bonds.

The Association also has available an outstanding standby letter of credit from Citizens Bank up to an aggregate of \$347,500 at March 31, 2013, which is required in connection with the insurance program for workers compensation.

NOTE J - SPLIT-INTEREST AGREEMENTS

The Association administers various charitable gift annuities. A charitable gift annuity provides for the payment of distributions to the donor or other designated beneficiaries for a specified period of time. The assets remaining at termination of the agreement are available for the Association's use for various purposes as determined by the donor. The estimated net present value of the liability under the agreements is recorded at the date of the gift using applicable discount rates (ranging from 2.0% to 9.2%), and applicable mortality tables. The revenue attributable to the estimated present value of the future benefits to be received by the Association is recorded as an increase in the net assets of the Association in accordance with its policy for recording contribution revenue in the period in which the charitable gift annuity is established. The investment is reported in the Association's statement of financial position at the fair value of the underlying investments, based on quoted market prices. The Association makes distributions to the designated beneficiaries based on agreement provisions.

NOTE K - FAIR VALUE MEASUREMENTS

Fair value is based on an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The following summarizes the fair value hierarchy based on the inputs to valuation techniques used to measure fair value using the lowest level of any input (level 3 being the lowest):

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE K - FAIR VALUE MEASUREMENTS - Continued

Assets measured at fair value are classified by level as follows:

Level 1

Investments: Investments such as actively traded equity securities, U.S. government obligations and money market funds with quoted market prices in active markets are classified as Level 1.

Debt Reserve Fund: The debt service reserve fund consists of U.S. government obligations and money market funds. The valuations are based on quoted market prices in active markets and are classified as Level 1.

Level 2

Interest Rate Swap: The fair value of the interest rate swap is measured by alternative pricing sources with reasonable levels of price transparency in markets that are not active. Based on the complex nature of interest rate swaps, the markets these instruments trade in are not as efficient and are less liquid than that of the more mature Level 1 markets. These markets do however have comparable, observable inputs in which an alternative pricing source values these investments in order to arrive at a fair market value.

Investments: Investments in private mutual funds are considered Level 2 inputs and recorded at NAV as these amounts are not traded in an active market.

Level 3

Capital Lease Obligations: These instruments are initially recorded at the present value of future minimum lease payments using an imputed interest rate. This value is measured on a non-recurring basis.

Charitable Remainder Trusts: These instruments are initially recorded at the present value of future cash flows using a discount rate from actuarial tables, adjusted for market conditions to determine fair value.

Contributions Receivable: These assets are classified as Level 3 because the fair value is based on a valuation technique. This value is measured on a non-recurring basis.

Gift Annuities: These instruments are initially recorded at the present value of future cash flows with a discount rate adjusted for market conditions to determine fair value. They have been classified as Level 3. This value is measured on a non-recurring basis.

Investments: Paid up life insurance contracts are initially recorded at the cash surrender value provided by the insurance carrier. The values assigned to the policies, which are not actively traded on any exchange, are not observable and are classified as Level 3.

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE K - FAIR VALUE MEASUREMENTS - Continued

The Association's assets and liabilities that are accounted for at fair value on a recurring basis as of March 31, 2013 and 2012 by level within the fair value hierarchy are presented in the tables below.

Description	2013		
	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments	\$ 1,388,969	\$ -	\$ -
Debt service reserve fund	83,341	-	-
Charitable remainder trusts	-	-	240,325
Interest rate swap	-	(447,752)	-
Private mutual funds	3,214,859	3,347,709	-
Cash surrender value of life insurance	-	-	112,158
	<u>\$ 4,687,169</u>	<u>\$ 2,899,957</u>	<u>\$ 352,483</u>

Description	2012		
	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments	\$ 1,428,284	\$ -	\$ -
Debt service reserve fund	83,336	-	-
Charitable remainder trusts	-	-	224,901
Interest rate swap	-	(457,063)	-
Private mutual funds	3,095,108	3,035,487	-
Cash surrender value of life insurance	-	-	112,158
	<u>\$ 4,606,728</u>	<u>\$ 2,578,424</u>	<u>\$ 337,059</u>

The following table discloses a reconciliation of assets measured at fair value on a recurring basis using significant unobservable inputs during the years ended March 31, 2013 and 2012:

Balance at April 1, 2011	\$ 225,083
Contributions	112,158
Adjustment for market changes	<u>(182)</u>
Balance at March 31, 2012	<u>\$ 337,059</u>
Contributions	-
Adjustment for market changes	<u>15,424</u>
Balance at March 31, 2013	<u>\$ 352,483</u>

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE L – ENDOWMENTS

The Association's endowment includes both donor restricted endowment funds and funds designated by the Board of Directors to function as quasi-endowments. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The State of New York adopted the New York Uniform Prudent Management of Institutional Funds Act (UPMIFA) and the Association has interpreted the New York UPMIFA as requiring the Association to preserve the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, if any, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if any. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets and is regarded as "net appreciation" is classified as temporarily restricted net assets until they are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by the Act.

In accordance with the Act, the Association considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Association and the donor restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Association
7. Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the donor restricted endowment fund, giving due consideration to the effect that such alternatives may have on the Association
8. The investment policies of the Association

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or the Act requires the Association to retain as a fund of perpetual duration. Deficiencies of this nature are reported by a charge to unrestricted net assets and a corresponding increase to temporarily restricted net assets both reflected as a component of realized and unrealized gains (losses) in the statement of activities. There were no such deficiencies as of March 31, 2013 or 2012, respectively.

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE L – ENDOWMENTS - Continued

Endowment Investment Policy

The Association has adopted an investment philosophy which, combined with the spending rate, attempts to provide a predictable stream of returns thereby making funds available to programs that are supported by its endowment, while at the same time seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under the Association's Investment Policy and spending rate, both of which are approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the spending rate over a long period of time. Actual returns in any given year may vary.

Spending Policy

All endowment investment income (including interest, dividends and gains/losses, net of related expenses) that has not been appropriated in accordance with the donors' intent has been reported as temporarily restricted. The Association's policy allows the appropriation for the spending of 4.5% of the average market value of the endowment fund at the end of the previous three fiscal years. The spending allocation amount for the year is determined at the beginning of the fiscal year and is released from the appreciated value of the endowment, which is classified as temporarily restricted. For the years ending March 31, 2013 and, \$227,454 and \$201,847, respectively, was released from temporarily restricted funds related to the endowment spending policy.

In addition to the endowment spending policy, the Association spends amounts from board designated funds which is based on the same method as described above for the endowment spending policy. For the years ending March 31, 2013 and, the spending allocation from board designated funds was \$232,031 and \$182,772, respectively. These amounts are included in the total amount of net assets released from restriction.

In addition, withdrawals from board designated funds may occur subject to the approval of the Board of Directors. A board approved withdrawal of \$1,250,000 was transferred during the year ending March 31, 2013.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association's Board of Directors decided to utilize a third party investment advisor and professional investment managers with proven investment strategies that supported the investment policy. The Investment sub-committee of the Finance and Administration Committee of the Board is responsible for selecting the investment advisor and managers. See Notes H and K for more detail on how these are valued.

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE L – ENDOWMENTS - Continued

Endowment Net Assets Balances

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ -	\$ 897,544	\$ 4,186,701	\$ 5,084,245
Board designated funds	<u>4,097,890</u>	<u>-</u>	<u>-</u>	<u>4,097,890</u>
Total endowment net assets	<u>\$ 4,097,890</u>	<u>\$ 897,544</u>	<u>\$ 4,186,701</u>	<u>\$ 9,182,135</u>

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ -	\$ 836,260	\$ 3,952,746	\$ 4,789,006
Board designated funds	<u>5,260,009</u>	<u>-</u>	<u>-</u>	<u>5,260,009</u>
Total endowment net assets	<u>\$ 5,260,009</u>	<u>\$ 836,260</u>	<u>\$ 3,952,746</u>	<u>\$ 10,049,015</u>

Endowment Fund Activity

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment assets, beginning of year	\$ 5,260,009	\$ 836,260	\$ 3,952,746	\$ 10,049,015
Investment returns:				
Investment income	63,149	84,922	-	148,071
Realized and unrealized losses	<u>145,171</u>	<u>203,816</u>	<u>-</u>	<u>348,987</u>
Total investment return	<u>208,320</u>	<u>288,738</u>	<u>-</u>	<u>497,058</u>
New gifts	3,276,515	-	235,410	3,511,925
Appropriation of endowment assets for operations	<u>(4,513,665)</u>	<u>(227,454)</u>	<u>-</u>	<u>(4,741,119)</u>
Change in actuarial value and amortization of split interest agreements	<u>(133,289)</u>	<u>-</u>	<u>(1,455)</u>	<u>(134,744)</u>
Endowment assets, end of year	<u>\$ 4,097,890</u>	<u>\$ 897,544</u>	<u>\$ 4,186,701</u>	<u>\$ 9,182,135</u>

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE L – ENDOWMENTS - Continued

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment assets, beginning of year	\$ 4,784,886	\$ 2,371	\$ 3,843,265	\$ 8,630,522
Investment returns:				
Investment income	56,046	81,131	-	137,177
Realized and unrealized losses	9,990	84,605	-	94,595
Total investment return	66,036	165,736	-	231,772
New gifts	2,248,650	-	110,937	2,359,587
Appropriation of endowment assets for operations	(1,707,014)	(201,847)	-	(1,908,861)
Change in actuarial value and amortization of split interest agreements	(132,549)	-	(1,456)	(134,005)
Endowment assets, end of year	\$ 5,260,009	\$ 836,260	\$ 3,952,746	\$ 10,049,015

The endowment fund activity table includes “Appropriation of endowment assets for operations”. During the years ending March 31, 2013 and 2012, this represented net assets released related to the endowment spending allocation as well as board designated expenditures related to planned giving, capital campaign and strategic plan activities.

NOTE M – TEMPORARILY RESTRICTED NET ASSETS

The following table summarizes temporarily restricted net assets at March 31, 2013 and 2012:

	2013	2012
Time restricted	\$ 1,478,636	\$ 1,086,580
Purpose restricted	218,000	350,500
Accumulated earnings on endowment	897,544	836,260
Total temporarily restricted net assets	\$ 2,594,180	\$ 2,273,340

NOTE N - RETIREMENT PLAN

The Association maintains a deferred annuity plan (the “Plan”) that covers substantially all employees. The Plan calls for the Association to match up to 3% of each employee’s contribution to the Plan. Total plan expense approximated to \$205,255 and \$199,910 for the years ending March 31, 2013 and 2012, respectively.

THE STUDENT CONSERVATION ASSOCIATION, INC.

Notes to Financial Statements - Continued

For the Years Ending March 31, 2013 and 2012

NOTE O - RELATED-PARTY TRANSACTIONS

Included in individual giving are contributions received from the directors, officers, and staff of the Association in the amounts of approximately \$431,366 and \$614,772 for the years ended March 31, 2013 and 2012, respectively. Contributions receivable from related parties at March 31, 2013 and 2012 were \$100,000 and \$200,000, respectively.

NOTE P - SUBSEQUENT EVENTS

On September 30, 2013, the Association obtained a term note of \$3,000,000. The note is secured by unrestricted investments in the Association's investment portfolio, as well as charitable pledges. The loan is a five year term note, with \$50,000 monthly payments. Principal payments commence November 1, 2013 and the Association has a fixed interest rate of 2.97% per annum.

Principal payments of new term note are due as follows:

<u>Years ending March 31,</u>	
2014	\$ 250,000
2015	600,000
2016	600,000
2017	600,000
2018	600,000
Thereafter	<u>350,000</u>
	<u><u>\$ 3,000,000</u></u>

Management has evaluated subsequent events through December 18, 2013, which is the date the financial statements were issued. Other than the subsequent event outlined above and in Note I, there were no other subsequent events requiring adjustments to or disclosure in the financial statements

SUPPLEMENTAL INFORMATION

THE STUDENT CONSERVATION ASSOCIATION, INC.

Schedule of Functional Expenses

For the year ended March 31, 2013

	Direct Field	Program Develop.	Recruit.	General & Admin.	Fund Raising	Total
Compensation Related:						
Salaries	\$ 5,123,728	\$ 4,588,989	\$ 704,046	\$ 1,247,963	\$ 1,251,838	\$ 12,916,563
Group Medical Insurance	331,401	386,850	59,351	105,203	105,529	988,334
Payroll Taxes	335,364	391,476	60,061	106,461	106,791	1,000,152
Contract Help	140,868	31,687	-	54,622	70,054	297,231
Retirement Expense	68,939	80,474	12,346	21,885	21,953	205,596
Total Compensation Related	6,000,299	5,479,476	835,804	1,536,133	1,556,165	15,407,876
Non-Compensation:						
Member Subsistence, Housing and						
Health Insurance	2,545,751	-	-	-	-	2,545,751
Field Travel and Transportation	3,057,549	-	-	-	-	3,057,549
Participant Grants and Awards	6,146,844	-	-	-	-	6,146,844
Travel - Staff	301,703	585,087	130,462	17,208	91,681	1,126,140
Postage and Freight	127,821	25,954	16,780	9,155	124,570	304,281
Training, Orientation and Career Services	661,205	38,260	-	(21,027)	6,384	684,822
Supplies and Equipment	350,564	43,323	2,237	4,840	3,744	404,709
Depreciation/Amortization	282,487	244,194	52,127	161,365	52,127	792,300
Insurance	477,309	159,103	15,910	135,238	7,955	795,515
Rent and Property Expenses	191,504	377,251	11,821	23,642	11,821	616,040
Interest, Finance & Bank Charges	-	-	-	430,767	-	430,767
Printing	28,440	53,848	24,392	38,196	146,599	291,474
Telephone	127,573	181,992	18,017	38,592	18,009	384,182
Uniforms	377,878	-	-	-	-	377,878
Technology Operations (non-staff)	139,571	93,047	139,571	46,524	46,524	465,236
Conferences	10,243	9,265	7,978	111,983	11,849	151,318
Audit and Legal Fees	36,321	22,701	-	162,510	3,132	224,663
Risk Management (non-staff)	190,387	-	-	-	-	190,387
Equipment Rental	10,467	42,397	10,716	6,429	4,286	74,295
Dues, Publications and Subscriptions	-	25,282	100	81,475	15,881	122,738
Consulting and Processing	51,501	241,368	22,529	344,192	250,551	910,141
All Other Expenses	89,694	2,633,781	74,158	185,933	145,366	3,128,932
Total Non-Compensation	15,204,812	4,776,853	526,798	1,777,020	940,479	23,225,962
Total Operating Expenses	\$ 21,205,111	\$ 10,256,328	\$ 1,362,602	\$ 3,313,153	\$ 2,496,644	\$ 38,633,838

THE STUDENT CONSERVATION ASSOCIATION, INC.

Schedule of Functional Expenses

For the year ended March 31, 2012

	Program Services				Support Services			Total Expenses
	Field	Program Support and Development	Participant Recruitment	Total	General and Administrative	Fundraising	Total	
Compensation related:								
Salaries and wages	\$ 5,000,529	\$ 3,749,506	\$ 860,663	\$ 9,610,698	\$ 1,174,561	\$ 954,901	\$ 2,129,462	\$ 11,740,160
Group medical insurance	344,181	336,878	77,327	758,386	105,529	82,802	188,331	946,717
Payroll taxes	351,497	344,038	78,970	774,505	107,772	82,581	190,353	964,858
Contracted services	217,809	11,996	-	229,805	40,146	80,297	120,443	350,248
Retirement expense	73,818	72,252	16,584	162,654	22,633	17,778	40,411	203,065
Total compensation related	5,987,834	4,514,670	1,033,544	11,536,048	1,450,641	1,218,359	2,669,000	14,205,048
Other operating expenses:								
Participant subsistence, housing, and health insurance	2,744,182	-	-	2,744,182	-	-	-	2,744,182
Field travel and transportation	3,206,855	-	-	3,206,855	-	-	-	3,206,855
Participant grants and awards	6,721,686	-	-	6,721,686	-	-	-	6,721,686
Travel - staff	339,325	354,768	90,094	784,187	21,040	89,465	110,505	894,692
Postage and freight	132,142	28,999	3,832	164,973	9,261	128,037	137,298	302,271
Training, orientation, and career services	528,904	34,392	-	563,296	16,587	2,515	19,102	582,398
Supplies and equipment	413,592	42,034	2,016	457,642	5,688	3,756	9,444	467,086
Depreciation/amoritization	269,429	225,720	49,639	544,788	151,374	49,639	201,013	745,801
Insurance	306,481	102,160	10,216	418,857	86,836	5,108	91,944	510,801
Rent and property expenses	214,067	390,650	16,720	621,437	33,440	16,720	50,160	671,597
Interest, finance, and bank charges	-	-	-	-	384,938	-	384,938	384,938
Printing	22,524	42,227	31,686	96,437	29,889	104,306	134,195	230,632
Telephone	105,184	124,557	11,194	240,935	28,764	13,117	41,881	282,816
Uniforms	400,439	-	-	400,439	-	-	-	400,439
Technology operations (nonstaff)	95,171	63,447	95,171	253,789	31,723	31,723	63,446	317,235
Conferences	10,357	7,543	5,320	23,220	92,685	854	93,539	116,759
Audit and legal fees	35,607	30,084	-	65,691	160,078	-	160,078	225,769
Risk management (nonstaff)	184,654	-	-	184,654	-	-	-	184,654
Equipment rental	9,562	39,012	9,929	58,503	5,957	3,971	9,928	68,431
Dues, publications and subscriptions	-	25,201	850	26,051	60,068	8,339	68,407	94,458
Consulting and processing	39,310	98,400	8,562	146,272	143,436	211,966	355,402	501,674
All other expenses	180,682	73,804	38,279	292,765	218,154	160,688	378,842	671,607
Total noncompensation	15,960,153	1,682,998	373,508	18,016,659	1,479,918	830,204	2,310,122	20,326,781
Total expenses	\$ 21,947,987	\$ 6,197,668	\$ 1,407,052	\$ 29,552,707	\$ 2,930,559	\$ 2,048,563	\$ 4,979,122	\$ 34,531,829