



# **National Space Society**

FINANCIAL STATEMENTS

December 31, 2020 and 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
National Space Society  
Reston, Virginia

We have audited the accompanying financial statements of National Space Society, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, 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.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Space Society as of December 31, 2020 and 2019, 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.



Wegner CPAs, LLP  
Alexandria, Virginia  
October 21, 2021

**NATIONAL SPACE SOCIETY**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 126,637	\$ 65,863
Accounts receivable	48,582	58,586
Unconditional promise to give	25,000	-
Prepaid expenses	<u>11,069</u>	<u>38,525</u>
Total current assets	211,288	162,974
<b>OTHER ASSETS</b>		
Investments	<u>1,662,299</u>	<u>1,633,360</u>
<b>Total assets</b>	<u><u>\$ 1,873,587</u></u>	<u><u>\$ 1,796,334</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 79,692	\$ 103,993
Deferred revenue	63,976	58,572
Due to chapters	<u>12,845</u>	<u>12,845</u>
Total liabilities	156,513	175,410
<b>NET ASSETS</b>		
Without donor restrictions	1,692,074	1,620,924
With donor restrictions		
2021 Projects	<u>25,000</u>	<u>-</u>
Total net assets	<u>1,717,074</u>	<u>1,620,924</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 1,873,587</u></u>	<u><u>\$ 1,796,334</u></u>

See accompanying notes.

**NATIONAL SPACE SOCIETY**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2020 and 2019

	2020	2019
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUE</b>		
Contributions		
Membership dues	\$ 268,731	\$ 388,232
Contributions	162,219	203,537
Bequests	4,400	21,665
Projects	127,796	116,854
Program service revenue		
Conference revenue	8,507	192,545
List rental, advertising, and royalties	21,108	4,529
Investment return, net	228,940	256,058
Miscellaneous revenue	-	1,356
<b>Total support and revenue</b>	<b>821,701</b>	<b>1,184,776</b>
<b>EXPENSES</b>		
Program services		
Education and Communication	460,957	731,165
Policy and Research	183,652	234,974
Supporting activities		
Management and General	67,809	118,562
Fundraising	38,133	52,295
<b>Total expenses</b>	<b>750,551</b>	<b>1,136,996</b>
Change in net assets without donor restrictions	71,150	47,780
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	25,000	-
<b>Change in net assets</b>	<b>96,150</b>	<b>47,780</b>
Net assets at beginning of year	1,620,924	1,573,144
<b>Net assets at end of year</b>	<b>\$ 1,717,074</b>	<b>\$ 1,620,924</b>

See accompanying notes.

**NATIONAL SPACE SOCIETY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2020

	Program Services		Supporting Activities		Total Expenses
	Education and Communication	Policy and Research	Management and General	Fundraising	
Professional fees	\$ 195,008	\$ 126,193	\$ 32,150	\$ 6,474	\$ 359,825
Office expenses	1,068	356	1,062	-	2,486
Conferences and meetings	54,258	18,073	4	-	72,335
Insurance	-	-	5,738	-	5,738
Occupancy	9,803	-	4,311	-	14,114
Advertising	4,790	-	-	-	4,790
Information technology	41,650	8,491	1,282	2,091	53,514
Travel	1,841	205	-	-	2,046
Miscellaneous	4,812	2,673	3,208	-	10,693
Bad debt expense	-	-	10,000	-	10,000
Grants and assistance	5,000	-	-	-	5,000
Postage and delivery	27,744	11,166	1,456	4,742	45,108
Printing and copying services	47,846	4,019	868	7,840	60,573
Projects	15,007	-	-	-	15,007
Mailing services	32,585	12,476	128	2,573	47,762
Licenses	7,103	-	-	7,102	14,205
Design and layout	12,442	-	-	1,382	13,824
Credit card and bank fees	-	-	7,602	5,929	13,531
<b>Total expenses</b>	<b>\$ 460,957</b>	<b>\$ 183,652</b>	<b>\$ 67,809</b>	<b>\$ 38,133</b>	<b>\$ 750,551</b>

See accompanying notes.

**NATIONAL SPACE SOCIETY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2019

	<u>Program Services</u>		<u>Supporting Activities</u>		<u>Total Expenses</u>
	<u>Education and Communication</u>	<u>Policy and Research</u>	<u>Management and General</u>	<u>Fundraising</u>	
Professional fees	\$ 175,651	\$ 94,381	\$ 56,267	\$ 5,372	331,671
Office expenses	1,042	8	11,110	-	12,160
Conferences and meetings	238,546	69,499	3,339	-	311,384
Insurance	-	-	4,613	-	4,613
Occupancy	12,010	-	5,304	-	17,314
Advertising	3,407	-	-	-	3,407
Information technology	56,339	6,315	11,074	1,391	75,119
Travel	19,847	2,205	-	-	22,052
Interest	-	-	31	-	31
Miscellaneous	3,840	3,840	7,680	-	15,360
Bad debt expense	-	-	5,000	-	5,000
Grants and assistance	5,000	-	-	-	5,000
Postage and delivery	45,093	24,891	973	11,035	81,992
Printing and copying services	32,450	2,629	1,837	5,737	42,653
Projects	47,313	-	-	-	47,313
Mailing services	36,107	31,206	-	5,816	73,129
Licenses	7,349	-	-	7,349	14,698
Design and layout	47,006	-	-	5,223	52,229
Credit card and bank fees	165	-	11,334	10,372	21,871
<b>Total expenses</b>	<b>\$ 731,165</b>	<b>\$ 234,974</b>	<b>\$ 118,562</b>	<b>\$ 52,295</b>	<b>\$ 1,136,996</b>

See accompanying notes.

**NATIONAL SPACE SOCIETY**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2020 and 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 96,150	\$ 47,780
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Bad debt expense	10,000	5,000
Net realized and unrealized gain on investments	(195,045)	(211,095)
(Increase) decrease in assets		
Accounts receivable	4	(28,342)
Unconditional promise to give	(25,000)	-
Prepaid expenses	27,456	(36,259)
Increase (decrease) in liabilities		
Accounts payable	(24,301)	72,750
Deferred revenue	5,404	(6,044)
Due to chapters	-	5,845
<b>Net cash flows from operating activities</b>	<b>(105,332)</b>	<b>(150,365)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	200,000	125,000
Purchases of and interest and dividends retained in investments	(33,894)	(44,962)
<b>Net cash flow from investing activities</b>	<b>166,106</b>	<b>80,038</b>
<b>Change in cash</b>	<b>60,774</b>	<b>(70,327)</b>
Cash at beginning of year	65,863	136,190
<b>Cash at end of year</b>	<b>\$ 126,637</b>	<b>\$ 65,863</b>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for interest	\$ -	\$ 31

See accompanying notes.

**NATIONAL SPACE SOCIETY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

National Space Society (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 12, 1974. The Society's vision is of "people living and working in thriving communities beyond 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 is primarily supported by membership dues and contributions.

**Accounts Receivable**

Accounts receivable primarily represent amounts due from customers for sponsorships at meetings and events provided by the Society. Accounts receivable are stated at the amount management expects to be collect from outstanding balances. At December 31, 2020 and 2019, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Investments**

The Society carries investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Advertising**

Advertising costs are expensed in the year incurred.

**NATIONAL SPACE SOCIETY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Revenue Recognition**

The Society's earned revenue consist of Ad Astra magazine subscriptions (included in membership dues), conference revenue, list rental, advertising, and royalties.

The Society recognizes the majority of revenue from membership dues at a point in time as they are considered to be contributions as defined by generally accepted accounting principles as there is no tangible exchange of goods or services occurring. A portion of membership dues includes a one-year subscription to the Society's quarterly magazine, Ad Astra. Revenue related to Ad Astra subscriptions is recognized on a quarterly basis when the magazine is issued. Amounts received in advance of the quarterly magazine are deferred until the next quarter's magazine is issued.

Revenues from conference revenue (for example, ticket sales and exhibit booth space) list rental, advertising, and royalties are generally considered to be single performance obligations that are satisfied at a point in time or over the period of the event.

**Income Tax Status**

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

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include professional fees, conferences and meetings, occupancy, information technology, travel, postage and delivery, printing and copying services, mailing services, licenses, and credit card and bank fees which are allocated on the basis of estimates of time and effort.

**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.

**Date of Management's Review**

Management has evaluated subsequent events through October 21, 2021, the date which the financial statements were available to be issued.

**NATIONAL SPACE SOCIETY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019

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NOTE 2—INVESTMENTS

Investments consist of the following:

	<u>2020</u>	<u>2019</u>
Money market funds	\$ 124,568	\$ 3,303
Stock mutual funds	1,333,993	1,167,040
Bond mutual funds	<u>203,738</u>	<u>463,017</u>
Investments	<u>\$ 1,662,299</u>	<u>\$ 1,633,360</u>

Fair values of stock mutual funds and bond mutual funds are valued at the closing price reported on the active market on which the stock mutual funds and bond mutual funds are traded and are considered Level 1 fair value measurements.

NOTE 3—RELATED PARTY

The Society's board of directors contracted with Barnhard Associates, LLC during the years ended December 31, 2020 and 2019 for information systems consulting services for the Society. The President of Barnhard Associates, LLC was a director of the Society during the years ended December 31, 2020 and 2019. Payments made to Barnhard Associates, LLC for information systems services for the years ended December 31, 2020 and 2019 were \$5,000 and \$10,534, respectively.

NOTE 4—COMMITMENTS

**Management Contract**

The Society is operated by a management company under the terms of a one-year agreement that is automatically renewed. Under the provisions of this agreement, the Society is to pay an annual management fee in addition to certain reimbursed expenses. The management fee paid for the years ended December 31, 2020 and 2019, was \$126,995 and \$105,133, respectively.

**Hotel Contracts**

The Society has entered into agreements to reserve space for future conferences. These agreements indicate that the Society would be liable for certain cancellation fees and liquidated damages in the event of cancellation. If cancellations occur, the Society could be liable for up to approximately \$177,000. Due to the COVID-19 pandemic, the 2020 ISDC Conference was moved to a virtual format, with no cancellation fees paid due to the force majeure clause in the contract between the Society and the hotel being exercised. Management does not expect any hotel agreement cancellations.

**NATIONAL SPACE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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**NOTE 5—JOINT COSTS**

The Society achieves some of its programmatic goals in direct mail campaigns that include requests for contributions. The costs of conducting those campaigns during the years ended December 31, 2020 and 2019 included a total of \$22,551 and \$35,974, respectively, of joint costs that are not directly attributable to either the program components of the fundraising component of the activities. Those joint costs were allocated as follows:

	<u>2020</u>	<u>2019</u>
Joint programs	\$ 18,041	\$ 30,578
Fundraising	<u>4,510</u>	<u>5,396</u>
Joint costs	<u>\$ 22,551</u>	<u>\$ 35,974</u>

**NOTE 6—LIQUIDITY AND AVAILABILITY**

The following reflects the Society's financial assets available for general expenditures within one year of the date of the statements of financial position:

	<u>2020</u>	<u>2019</u>
Financial assets at end of year		
Cash	\$ 126,637	\$ 65,863
Accounts receivable	48,582	58,586
Unconditional promise to give	25,000	-
Investments	<u>1,662,299</u>	<u>1,633,360</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,862,518</u>	<u>\$ 1,757,809</u>

As part of the Society's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 7—RISKS AND UNCERTAINTIES**

The COVID-19 outbreak has caused disruption for nonprofit organizations and other businesses and has resulted in significant volatility in the financial markets. There have been mandated and voluntary closings of businesses including cancellations of events and meetings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of restrictions on gatherings and potential economic impacts. At this time, the potential related financial impact on the Society's operations and financial statements cannot be reasonably estimated.

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