

American College of Osteopathic Surgeons and Affiliate

Consolidated Financial Statements
and Independent Auditors' Report

June 30, 2017 and 2016

American College of Osteopathic Surgeons and Affiliate

Consolidated Financial Statements June 30, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Governors of
American College of Osteopathic Surgeons and Affiliate

We have audited the accompanying consolidated financial statements of the American College of Osteopathic Surgeons and Affiliate (collectively, "the Organization"), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

Auditor's Responsibility (continued)

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2017 and 2016, 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.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included on pages 15-18 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
October 4, 2017

American College of Osteopathic Surgeons and Affiliate

Consolidated Statements of Financial Position June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 2,148,351	\$ 2,048,218
Investments	3,243,148	2,934,202
Accounts receivable, net	62,564	175,559
Inventory	6,825	6,825
Annual Clinical Assembly prepaid expense	18,840	1,959
Other prepaid expenses and deposits	65,783	3,881
Property and equipment, net	<u>169,916</u>	<u>213,540</u>
Total assets	<u>\$ 5,715,427</u>	<u>\$ 5,384,184</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 443,877	\$ 375,210
Deferred revenue – membership dues	833,079	863,417
Deferred revenue – Annual Clinical Assembly	-	145,750
Deferred revenue – other	<u>52,175</u>	<u>107,600</u>
Total liabilities	<u>1,329,131</u>	<u>1,491,977</u>
Net Assets		
Unrestricted	<u>4,386,296</u>	<u>3,892,207</u>
Total net assets	<u>4,386,296</u>	<u>3,892,207</u>
Total liabilities and net assets	<u>\$ 5,715,427</u>	<u>\$ 5,384,184</u>

See accompanying notes.

American College of Osteopathic Surgeons and Affiliate

Consolidated Statements of Activities
For the Years Ended June 30, 2017 and 2016

	2017	2016
Unrestricted Operating Revenue and Support		
Dues and application fees	\$ 1,259,292	\$ 1,152,539
Annual Clinical Assembly	942,625	797,782
Other educational programs	294,137	368,427
Grants	4,914	151,781
Contributions	45,248	71,525
Interest and dividends	98,002	63,952
Other revenue	5,602	43,613
 Total unrestricted operating revenue and support	 2,649,820	 2,649,619
 Expenses		
Program services:		
Educational programs	460,516	410,985
Educational standards	71,605	105,973
Leadership and policy	91,729	101,784
Communications	-	13,636
Member recognition	8,451	7,229
Member programs	2,892	17,685
Trust programs	7,066	8,695
 Total program services	 642,259	 665,987
 Supporting services:		
General and administrative	1,473,310	1,344,901
Member recruitment and retention	308,076	85,978
 Total supporting services	 1,781,386	 1,430,879
 Total expenses	 2,423,645	 2,096,866
 Change in Net Assets from Operations	 226,175	 552,753
 Net unrealized gain on investments	 267,914	 61,553
 Change in Net Assets	 494,089	 614,306
 Net Assets, beginning of year	 3,892,207	 3,277,901
 Net Assets, end of year	 \$ 4,386,296	 \$ 3,892,207

See accompanying notes.

American College of Osteopathic Surgeons and Affiliate

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Change in net assets	\$ 494,089	\$ 614,306
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	43,624	15,043
Net unrealized gain on investments	(267,914)	(61,553)
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	112,995	(60,608)
Annual Clinical Assembly prepaid expense	(16,881)	3,169
Other prepaid expenses and deposits	(61,902)	2,996
Deferred compensation plan assets	-	35,763
Increase (decrease) in:		
Accounts payable and accrued expenses	68,667	76,554
Deferred revenue	(231,513)	147,059
Deferred compensation plan liability	-	(35,763)
Net cash provided by operating activities	141,165	736,966
Cash Flows from Investing Activities		
Purchase of fixed assets	-	(12,610)
Purchase of investments and reinvested interest	(41,032)	(59,671)
Net cash used in investing activities	(41,032)	(72,281)
Net Increase in Cash and Cash Equivalents	100,133	664,685
Cash and Cash Equivalents, beginning of year	2,048,218	1,383,533
Cash and Cash Equivalents, end of year	\$ 2,148,351	\$ 2,048,218

See accompanying notes.

American College of Osteopathic Surgeons and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

1. Nature of Operations

The American College of Osteopathic Surgeons (“the College”) was incorporated in 1927 and is operated as a not-for-profit corporation. The objective of the College is to encourage the study of the science of surgery, surgical diagnosis, and application of osteopathic principles, practices, and treatment. The College’s headquarters are in Alexandria, Virginia, and its activities are funded primarily through membership dues, conferences and meetings revenue, and educational programs.

The American College of Osteopathic Surgeons Trust Fund (“the Trust”) was established by the College in 1967 for charitable, educational, and scientific purposes related to osteopathic surgery. The College has a financial controlling interest in the Trust.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the account balances of the College and the Trust. Except when referred to separately, all entities are collectively referred to as “the Organization” in the accompanying consolidated financial statements and related notes. All intercompany balances and significant transactions have been eliminated in consolidation.

Basis of Accounting and Presentation

The consolidated financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions. At June 30, 2017 and 2016, all net assets were unrestricted.

These consolidated financial statements contain the financial information regarding the administrative office and do not include independently managed osteopathic specialty sections.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments with original maturities of 90 days or less that are easily convertible to known amounts of cash.

American College of Osteopathic Surgeons and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

Investments

Investments are carried at fair value. Realized and unrealized gains and losses are considered non-operating activities, and are reported separately from the change in net assets from operations.

Accounts Receivable

Accounts receivable are carried at original invoice amounts less an estimate made for doubtful accounts based on a review of all outstanding amounts. Receivables are written off when deemed uncollectible. The provision for doubtful accounts, based on management's evaluation, was \$1,450 at both June 30, 2017 and 2016. Historically, write-offs of receivables have been minimal.

Inventory

Inventory consists of publications and other items held for resale and is carried at the lower of cost (determined by the first-in, first-out method) or market value.

Property and Equipment

Property and equipment purchases at a cost of \$500 or more and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization is computed using methods prescribed for tax purposes over the estimated useful lives of the related assets, which range from 3 to 31.5 years. This method does not differ significantly from the straight-line method. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and resulting gain or loss is included in revenue or expenses. Maintenance and repairs are charged to expenses as incurred.

Revenue Recognition

Revenue from the Annual Clinical Assembly and other programs is recognized at the time the event or program is held. Membership dues revenue is recognized in the year in which the related services are provided. Amounts received but not yet earned are recorded as deferred revenue in the accompanying consolidated statements of financial position.

American College of Osteopathic Surgeons and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Grants and contributions designated by the donor for a particular program or time period are considered restricted, unless the restriction is met in the same accounting period the donation was received.

Revenue from all other sources is recognized when earned.

Functional Allocation of Expenses

The costs of the Organization's programs and administration have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain indirect and overhead costs have been allocated to the programs benefited on the basis of the time expended in each program area by the employees, as reported on their timesheets.

Measure of Operations

The Organization includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities, and excludes realized and unrealized gains and losses on investments.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in the Organization's fiscal year 2021.

American College of Osteopathic Surgeons and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements (continued)

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The update changes the manner by which nonprofit organizations classify net assets as well as improves information presented in financial statements and notes about nonprofit organization liquidity, financial performance, and cash flows. The guidance is effective beginning in the Organization's fiscal year 2019.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 4, 2017, the date the consolidated financial statements were available to be issued.

3. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Organization maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Depository Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

4. Investments and Fair Value Measurements

The Organization follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

American College of Osteopathic Surgeons and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

4. Investments and Fair Value Measurements (continued)

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. The Organization recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, the Organization uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The following table presents the Organization's fair value hierarchy for those assets measured on a recurring basis as of June 30, 2017:

	Total fair value	Level 1	Level 2	Level 3
Wellington mutual fund	\$ 1,994,408	\$ 1,994,408	\$ -	-
Stock market index fund	817,931	817,931	-	-
Bond market index fund	425,157	425,157	-	-
SOSA	5,652	5,652	-	-
Total investments	<u>\$ 3,243,148</u>	<u>\$ 3,243,148</u>	<u>\$ -</u>	<u>-</u>

The following table presents the Organization's fair value hierarchy for those assets measured on a recurring basis as of June 30, 2016:

	Total fair value	Level 1	Level 2	Level 3
Wellington mutual fund	\$ 1,775,954	\$ 1,775,954	\$ -	-
Stock market index fund	690,421	690,421	-	-
Bond market index fund	427,044	427,044	-	-
Sherman fund	35,159	35,159	-	-
SOSA	5,624	5,624	-	-
Total investments	<u>\$ 2,934,202</u>	<u>\$ 2,934,202</u>	<u>\$ -</u>	<u>-</u>

American College of Osteopathic Surgeons and Affiliate

Notes to Consolidated Financial Statements June 30, 2017 and 2016

4. Investments and Fair Value Measurements (continued)

Investment income consists of the following for the years ended June 30:

	<u>2017</u>	<u>2016</u>
Net unrealized gain on investments	\$ 267,914	\$ 61,553
Interest and dividends	<u>98,002</u>	<u>63,952</u>
Total investment income	<u>\$ 365,916</u>	<u>\$ 125,505</u>

5. Property and Equipment

The Organization held the following property and equipment at June 30:

	<u>2017</u>	<u>2016</u>
Land	\$ 118,130	\$ 118,130
Building and building improvements	365,456	365,456
Computer equipment and software	14,216	226,161
Furniture and equipment	2,771	115,515
Website	<u>56,845</u>	<u>56,845</u>
Total property and equipment	557,418	882,107
Less: accumulated depreciation and amortization	<u>(387,502)</u>	<u>(668,567)</u>
Property and equipment, net	<u>\$ 169,916</u>	<u>\$ 213,540</u>

6. Annual Clinical Assembly

The Organization shares in the revenue and expense of the Annual Clinical Assembly (ACA) with the American Osteopathic College of Proctology (AOCPr) based principally on a ratio of their respective number of physician attendees to total physician attendees. Included in accounts payable and accrued expenses at June 30, 2017 and 2016 is \$57,005 and \$2,860 at June 30, 2017 and 2016, respectively, due to AOCPr relating to ACA activities.

American College of Osteopathic Surgeons and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

7. Employee Benefit Plans

Retirement Plan

The Organization sponsors a defined contribution plan for all employees who meet length of service requirements. Under the plan, the Organization makes annual contributions based upon a percentage of each participant's compensation. The Organization's contribution to the plan for the years ended June 30, 2017 and 2016 was \$92,076 and \$73,250, respectively.

Deferred Compensation Plans

The Organization established a 457(b) non-qualified deferred compensation plan during fiscal year 2015 for the Chief Executive Officer, as a means of providing a supplemental benefit. Contributions to this plan were vested at all times; however, the Organization maintained the account. In January 2016, this account was transferred to the Chief Executive Officer and removed from the Organization's assets and liabilities. The transfer made to close the account was \$53,500. For the years ended June 30, 2017 and 2016, deferred compensation expense was \$-0- and \$18,000, respectively. There is no balance on this deferred compensation plan at June 30, 2017 or 2016.

The Organization maintained a 457(f) account that was opened in addition to the 457(b) during fiscal year 2015. Contributions exceeding the maximum permitted by law were contributed to the 457(f) plan. The contributions became fully vested at December 31, 2015 and the Organization made one lump-sum payment of \$5,700 to close this account.

8. Commitments

Office Lease

During 2017, the College entered into an agreement to lease office space in Alexandria, Virginia that will commence on December 1, 2017 and is set to expire on November 30, 2029. The terms of the lease call for base payments of \$23,601 due monthly, with annual increases of 2.75%. The lease also includes a 23-month rental abatement as an incentive to lease the space.

Deferred rent, which reflects the accumulated difference between straight line rent and actual rent paid, is not recorded at June 30, 2017 as the lease commencement date does not start until the following fiscal year.

American College of Osteopathic Surgeons and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

8. Commitments (continued)

Office Lease (continued)

Future minimum lease payments on the office lease are as follows for the years ending June 30:

2018	\$	-
2019		145,500
2020		270,762
2021		278,236
2022		285,887
Thereafter		<u>2,392,319</u>
Total future minimum lease payments	\$	<u>3,372,704</u>

Hotel Agreements

The Organization has entered into several agreements with hotels for its future ACAs through 2018. These agreements indicate that the Organization would be liable for certain cancellation fees and liquidated damages in the event of cancellation. The maximum potential liability under these agreements at June 30, 2017 totals \$921,074. Management believes no material liability is likely.

Employment Agreement

The Organization has an employment contract with the Executive Director, which is set to expire on December 31, 2019. The terms of the employment contract provide for severance payments, under certain circumstances, equal to six months' salary.

9. Related Parties

The Organization has established osteopathic specialty sections ("Disciplines") that represent specific membership interests within the Organization. The Disciplines operate independently and are governed by officers elected by qualifying members within the Organization. Accordingly, the financial accounts of the Disciplines are not included in the accompanying consolidated financial statements. The Organization's separate Disciplines include: Neurological Surgery Discipline, Urological Discipline, Cardiothoracic and Vascular Surgery Discipline, General Surgery Discipline, and the Plastic and Reconstructive Surgery Discipline. The Organization maintains a separate Internal Revenue Service group exemption, which covers the Disciplines.

American College of Osteopathic Surgeons and Affiliate

Notes to Consolidated Financial Statements June 30, 2017 and 2016

9. Related Parties (continued)

At June 30, 2017 and 2016, the Organization has a net payable due to the Disciplines totaling \$184,195 and \$78,212, respectively, which is included in the accompanying statements of financial position.

10. Income Taxes

The College is recognized as a tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code and is exempt from federal income taxes except for taxes on unrelated business activities. The Trust is a separately incorporated 501(c)(3) nonprofit organization. No income tax expense is recorded in the accompanying consolidated financial statements for the years ended June 30, 2017 and 2016, as there was no net unrelated business income.

Management evaluated the Organization's tax positions and concluded that the Organization's consolidated financial statements do not include any uncertain tax positions.

SUPPLEMENTARY INFORMATION

American College of Osteopathic Surgeons and Affiliate

Consolidating Statement of Financial Position
June 30, 2017

	<u>The College</u>	<u>The Trust</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 2,035,759	\$ 112,592	\$ -	\$ 2,148,351
Investments	2,330,537	912,611	-	3,243,148
Accounts receivable, net	62,564	-	-	62,564
Due from the Trust	122,889	-	(122,889)	-
Inventory	6,825	-	-	6,825
Annual Clinical Assembly prepaid expense	18,840	-	-	18,840
Other prepaid expenses and deposits	65,783	-	-	65,783
Property and equipment, net	<u>169,916</u>	<u>-</u>	<u>-</u>	<u>169,916</u>
Total assets	<u><u>\$ 4,813,113</u></u>	<u><u>\$ 1,025,203</u></u>	<u><u>\$ (122,889)</u></u>	<u><u>\$ 5,715,427</u></u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 443,877	\$ -	\$ -	\$ 443,877
Due to the College	-	122,889	(122,889)	-
Deferred revenue – membership dues	833,079	-	-	833,079
Deferred revenue – other	<u>52,175</u>	<u>-</u>	<u>-</u>	<u>52,175</u>
Total liabilities	<u>1,329,131</u>	<u>122,889</u>	<u>(122,889)</u>	<u>1,329,131</u>
Net Assets				
Unrestricted	<u>3,483,982</u>	<u>902,314</u>	<u>-</u>	<u>4,386,296</u>
Total net assets	<u>3,483,982</u>	<u>902,314</u>	<u>-</u>	<u>4,386,296</u>
Total liabilities and net assets	<u><u>\$ 4,813,113</u></u>	<u><u>\$ 1,025,203</u></u>	<u><u>\$ (122,889)</u></u>	<u><u>\$ 5,715,427</u></u>

American College of Osteopathic Surgeons and Affiliate

Consolidating Statement of Financial Position
June 30, 2016

	<u>The College</u>	<u>The Trust</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 1,971,830	\$ 76,388	\$ -	\$ 2,048,218
Investments	2,085,802	848,400	-	2,934,202
Accounts receivable, net	175,559	-	-	175,559
Due from the Trust	108,045	-	(108,045)	-
Inventory	6,825	-	-	6,825
Annual Clinical Assembly prepaid expense	1,959	-	-	1,959
Other prepaid expenses and deposits	3,881	-	-	3,881
Property and equipment, net	<u>213,540</u>	<u>-</u>	<u>-</u>	<u>213,540</u>
Total assets	<u><u>\$ 4,567,441</u></u>	<u><u>\$ 924,788</u></u>	<u><u>\$ (108,045)</u></u>	<u><u>\$ 5,384,184</u></u>
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	\$ 375,210	\$ -	\$ -	\$ 375,210
Due to the College	-	108,045	(108,045)	-
Deferred revenue – membership dues	863,417	-	-	863,417
Deferred revenue – Annual Clinical Assembly	145,750	-	-	145,750
Deferred revenue – other	<u>107,600</u>	<u>-</u>	<u>-</u>	<u>107,600</u>
Total liabilities	<u>1,491,977</u>	<u>108,045</u>	<u>(108,045)</u>	<u>1,491,977</u>
Net Assets				
Unrestricted	<u>3,075,464</u>	<u>816,743</u>	<u>-</u>	<u>3,892,207</u>
Total net assets	<u>3,075,464</u>	<u>816,743</u>	<u>-</u>	<u>3,892,207</u>
Total liabilities and net assets	<u><u>\$ 4,567,441</u></u>	<u><u>\$ 924,788</u></u>	<u><u>\$ (108,045)</u></u>	<u><u>\$ 5,384,184</u></u>

American College of Osteopathic Surgeons and Affiliate

Consolidating Statement of Activities For the Year Ended June 30, 2017

	The College	The Trust	Eliminations	Total
Unrestricted Operating Revenue and Support				
Dues and application fees	\$ 1,259,292	\$ -	\$ -	\$ 1,259,292
Annual Clinical Assembly	942,625	-	-	942,625
Other educational programs	294,137	-	-	294,137
Grants	69,587	-	(64,673)	4,914
Contributions	-	45,248	-	45,248
Interest and dividends	62,366	35,636	-	98,002
Other revenue	5,602	-	-	5,602
Total unrestricted operating revenue and support	2,633,609	80,884	(64,673)	2,649,820
Expenses				
Program services:				
Educational programs	460,516	-	-	460,516
Educational standards	71,605	-	-	71,605
Leadership and policy	91,729	-	-	91,729
Member recognition	8,451	-	-	8,451
Member programs	2,892	-	-	2,892
Trust programs	-	71,739	(64,673)	7,066
Total program services	635,193	71,739	(64,673)	642,259
Supporting services:				
General and administrative	1,473,310	-	-	1,473,310
Member recruitment and retention	308,076	-	-	308,076
Total supporting services	1,781,386	-	-	1,781,386
Total expenses	2,416,579	71,739	(64,673)	2,423,645
Change in Net Assets from Operations	217,030	9,145	-	226,175
Net unrealized gain on investments	191,488	76,426	-	267,914
Change in Net Assets	408,518	85,571	-	494,089
Net Assets, beginning of year	3,075,464	816,743	-	3,892,207
Net Assets, end of year	\$ 3,483,982	\$ 902,314	\$ -	\$ 4,386,296

American College of Osteopathic Surgeons and Affiliate

Consolidating Statement of Activities For the Year Ended June 30, 2016

	The College	The Trust	Eliminations	Total
Unrestricted Operating Revenue and Support				
Dues and application fees	\$ 1,152,539	\$ -	\$ -	\$ 1,152,539
Annual Clinical Assembly	797,782	-	-	797,782
Other educational programs	368,427	-	-	368,427
Grants	193,413	-	(41,632)	151,781
Contributions	-	71,525	-	71,525
Interest and dividends	14,893	49,059	-	63,952
Other revenue	43,613	-	-	43,613
Total unrestricted operating revenue and support	2,570,667	120,584	(41,632)	2,649,619
Expenses				
Program services:				
Educational programs	410,985	-	-	410,985
Educational standards	105,973	-	-	105,973
Leadership and policy	101,784	-	-	101,784
Communications	13,636	-	-	13,636
Member recognition	7,229	-	-	7,229
Member programs	17,685	-	-	17,685
Trust programs	-	50,327	(41,632)	8,695
Total program services	657,292	50,327	(41,632)	665,987
Supporting services:				
General and administrative	1,344,901	-	-	1,344,901
Member recruitment and retention	85,978	-	-	85,978
Total supporting services	1,430,879	-	-	1,430,879
Total expenses	2,088,171	50,327	(41,632)	2,096,866
Change in Net Assets from Operations	482,496	70,257	-	552,753
Net unrealized gain (loss) on investments	73,306	(11,753)	-	61,553
Change in Net Assets	555,802	58,504	-	614,306
Net Assets, beginning of year	2,519,662	758,239	-	3,277,901
Net Assets, end of year	\$ 3,075,464	\$ 816,743	\$ -	\$ 3,892,207