



USA WATER SKI & WAKE SPORTS, INC.

**Financial Statements
& Supplemental Schedules**

For the Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Water Ski & Wake Sports, Inc.
Polk City, Florida

We have audited the accompanying financial statements of USA Water Ski & Wake Sports, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USA Water Ski & Wake Sports, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited USA Water Ski & Wake Sports, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 17, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplemental Information

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

Waugh & Goodwin, LLP
Colorado Springs, Colorado
May 31, 2018

USA WATER SKI & WAKE SPORTS, INC.
Statement of Financial Position
December 31, 2017
(With Comparative Amounts for 2016)

	<u>ASSETS</u>	
	<u>2017</u>	<u>2016</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 529,562	\$ 640,732
Short-term investments	416,092	396,532
Accounts receivable	35,721	20,210
Prepaid expenses	87,088	35,168
Inventory	14,062	15,818
Other assets	<u>2,627</u>	<u>5,635</u>
Total current assets	1,085,152	1,114,095
PROPERTY AND EQUIPMENT, at cost:		
Computers and software	120,474	44,192
Furniture and equipment	180,230	186,962
Leasehold improvements	<u>43,390</u>	<u>43,390</u>
	344,094	274,544
Less accumulated depreciation	<u>(259,012)</u>	<u>(251,831)</u>
Property and equipment - net	<u>85,082</u>	<u>22,713</u>
TOTAL ASSETS	<u>\$ 1,170,234</u>	<u>\$ 1,136,808</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
CURRENT LIABILITIES:		
Accounts payable	\$ 12,494	\$ 15,702
Accrued liabilities	49,574	43,339
Current portion of deferred revenue	<u>448,695</u>	<u>454,041</u>
Total current liabilities	510,763	513,082
DEFERRED REVENUE	<u>37,605</u>	<u>33,362</u>
Total liabilities	548,368	546,444
NET ASSETS:		
Unrestricted	97,326	95,094
Unrestricted - Board designated	490,115	474,333
Temporarily restricted	<u>34,425</u>	<u>20,937</u>
Total net assets	<u>621,866</u>	<u>590,364</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,170,234</u>	<u>\$ 1,136,808</u>

See Notes to Financial Statements

USA WATER SKI & WAKE SPORTS, INC.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2017
(With Comparative Totals for 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Totals</u>	<u>2016 Totals</u>
SUPPORT AND REVENUE:				
Membership registrations	\$ 924,918	\$	\$ 924,918	\$ 949,743
Publication income	149,790		149,790	130,773
National tournaments	144,342		144,342	127,748
Regional income	107,692		107,692	112,482
US Open income				99,100
Sport discipline income	89,566	23,489	113,055	98,486
Event sanctioning income	95,237		95,237	96,842
Marketing and partnership	84,548		84,548	83,046
Teams fund	44,147		44,147	58,710
Approved towboat testing	46,000		46,000	48,000
Sport development	49,161		49,161	43,626
Value in kind	31,000		31,000	31,000
Investment income	35,566		35,566	23,461
Jr US Open income	10,255		10,255	12,428
Donations	10,112		10,112	10,896
Other income	3,242		3,242	2,772
Satisfaction of program restrictions	<u>10,001</u>	<u>(10,001)</u>		
Total support and revenue	1,835,577	13,488	1,849,065	1,929,113
EXPENSES:				
Program services:				
Membership	515,570		515,570	504,481
Publication expense	288,940		288,940	320,510
National tournaments	189,356		189,356	270,312
Sport development	132,604		132,604	174,258
Regional expense	118,230		118,230	93,146
Sport discipline expense	116,008		116,008	103,775
National teams	61,881		61,881	61,951
Competitions	55,775		55,775	44,468
Towboat program	<u>11,772</u>		<u>11,772</u>	<u>19,519</u>
Total program services	1,490,136		1,490,136	1,592,420
Supporting services:				
General and administrative expense	217,317		217,317	168,158
Sponsorship development	<u>110,110</u>		<u>110,110</u>	<u>122,065</u>
Total supporting services	<u>327,427</u>		<u>327,427</u>	<u>290,223</u>
Total expenses	<u>1,817,563</u>		<u>1,817,563</u>	<u>1,882,643</u>
CHANGE IN NET ASSETS	18,014	13,488	31,502	46,470
NET ASSETS, beginning of year	<u>569,427</u>	<u>20,937</u>	<u>590,364</u>	<u>543,894</u>
NET ASSETS, end of year	<u>\$ 587,441</u>	<u>\$ 34,425</u>	<u>\$ 621,866</u>	<u>\$ 590,364</u>

See Notes to Financial Statements

USA WATER SKI & WAKE SPORTS, INC.
Statement of Cash Flows
For the Year Ended December 31, 2017
(With Comparative Totals for 2016)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 31,502	\$ 46,470
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	7,181	8,581
Realized & unrealized (gain) loss on investments	(21,167)	(12,182)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(15,511)	49,826
Prepaid expenses	(51,920)	95,827
Inventory	1,756	(2,039)
Other assets	3,008	(935)
Increase (decrease) in liabilities:		
Accounts payable	(3,208)	(104,388)
Accrued liabilities	6,235	3,711
Deferred revenue	(1,103)	(5,219)
Total adjustments	<u>(74,729)</u>	<u>33,182</u>
Net cash provided (used) by operating activities	(43,227)	79,652
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(69,550)	(1,845)
Change in investments, net	<u>1,607</u>	<u>(5,105)</u>
Net cash used by investing activities	<u>(67,943)</u>	<u>(6,950)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(111,170)	72,702
CASH AND CASH EQUIVALENTS, beginning of year	<u>640,732</u>	<u>568,030</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 529,562</u>	<u>\$ 640,732</u>

See Notes to Financial Statements

USA WATER SKI & WAKE SPORTS, INC.
Notes to Financial Statements
For the Year Ended December 31, 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

USA Water Ski & Wake Sports, Inc. (the Corporation) is the national governing body of organized water skiing in the United States. The Corporation's name was changed from USA Water Ski, Inc. in 2018. USA Water Ski & Wake Sports, Inc. is a member of the International Water Ski Federation, the Pan American Sports Organization and the United States Olympic Committee. Affiliated with USA Water Ski & Wake Sports, Inc. as sport disciplines are the American Water Ski Association, American Barefoot Club, American Kneeboard Association, National Collegiate Water Ski Association, National Show Ski Association, National Water Ski Racing Association, United States Hydrofoil Association, USA Wakeboard and Water Skiers with Disabilities Association.

Income Taxes

The Corporation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. However, income from certain activities not directly related to the Corporation's tax-exempt purposes is subject to taxation as unrelated business income.

The Corporation's form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date it was filed. Management of the Corporation believes that it does not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Corporation's checking and savings accounts.

The Corporation maintains its cash and cash equivalents at a commercial bank. In the unlikely event of a bank failure, the Corporation could suffer a loss to the extent its deposits exceed the respective bank insurance limits.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Supplemental Cash Flow Disclosures

The Corporation paid no interest or income taxes during the years ended December 31, 2017 and 2016.

Accounts Receivable

Accounts receivable are stated at the amount the Corporation expects to collect from balances outstanding at year end. Based on the Corporation's experience with customers having outstanding balances, it has concluded that any losses on balances outstanding at year end will not be material. Therefore, no allowance for doubtful accounts is considered necessary.

Accounts receivable outstanding for more than 30 days are considered delinquent. Delinquent receivables are determined to be uncollectible on a case by case basis and are written off to bad debt expense at such point of determination.

Property and Equipment

Property and equipment consists of leasehold improvements, furniture, and office equipment used in the operations of the Corporation. Property and equipment are recorded at cost or, in the case of donated items, at the estimated fair market value at the date of the donation.

Depreciation is recorded using the straight-line method over an estimated life of three to ten years for furniture and equipment and seven to fifteen years for leasehold improvements. Depreciation expense for the years ended December 31, 2017 and 2016, was \$7,181 and \$8,581, respectively.

Inventory

Prior to 2017, the Corporation reported inventories at the lower of cost or market. Cost was determined using the first-in, first-out (FIFO) method.

As of the beginning of 2017, the Corporation began stating inventories prospectively at the lower of FIFO cost and net realizable value. This change was made in response to a recent Financial Accountings Standards Board (FASB) standard issued as part of the FASB's simplification initiative.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Inventory - continued

Under the prior method, "market" was replacement cost, subject to possible adjustments. Net realizable value is based on the selling price. The change is intended to reduce complexity in financial statement preparation. Inventory consists of merchandise and apparel.

This change had no significant effect on the change in net assets for the year ended December 31, 2017.

Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as satisfaction of program restrictions.

Contributed Services

The Corporation receives a substantial amount of donated services in carrying out its programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under ASC 958, "Not-For-Profit Entities".

Functional Allocation of Expenses

Certain costs and expenses are allocated among the various programs and supporting service expenses based on salary and related expenses. For the years ended December 31, 2017 and 2016, the Corporation's supporting service expenses amounted to 17.71% and 15.04%, respectively, of total support and revenue.

Use of Estimates in Preparation of Financial Statements

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

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Date of Management's Review

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through May 31, 2018, the date that the financial statements were available to be issued.

B. FAIR VALUE MEASUREMENTS

The Corporation applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels are recorded at the end of the reporting period.

Notes to Financial Statements

B. FAIR VALUE MEASUREMENTS - Continued

The following tables present assets that are measured at fair value on a recurring basis at December 31, 2017 and 2016:

Assets at Fair Value as of December 31, 2017

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 348,964	\$	\$	\$ 348,964
Certificates of deposit	<u>67,128</u>	<u></u>	<u></u>	<u>67,128</u>
	<u>\$ 416,092</u>	<u>\$</u>	<u>\$</u>	<u>\$ 416,092</u>

Assets at Fair Value as of December 31, 2016

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 375,342	\$	\$	\$ 375,342
Certificates of deposit	<u>21,190</u>	<u></u>	<u></u>	<u>21,190</u>
	<u>\$ 396,532</u>	<u>\$</u>	<u>\$</u>	<u>\$ 396,532</u>

Investment income in the accompanying statements of activities consists of the following for the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 13,597	\$ 11,279
Unrealized gains	21,167	12,182
Realized gains	<u>802</u>	<u></u>
	<u>\$ 35,566</u>	<u>\$ 23,461</u>

C. USA WATER SKI AND WAKE SPORTS FOUNDATION

The USA Water Ski & Wake Sports Foundation (the Foundation) is a separate exempt entity to establish, administer and promote an educational program devoted to the development and training of water skiers as a means of healthful recreation and physical fitness and to stimulate an interest in water skiing competition.

The Corporation leases office space from the Foundation in accordance with an operating lease with an initial term through November 2019 at an annual rate of \$10. That agreement also includes a provision to share net proceeds upon sale of the building. The Foundation sold the building at the end of 2017 and entered into a new sublease agreement with the Corporation for office space effective December 29, 2017.

Notes to Financial Statements

C. USA WATER SKI AND WAKE SPORTS FOUNDATION - Continued

Under terms of the new agreement, the shared net proceeds of \$145,000 are conditional upon the Corporation remaining in the office space until December 31, 2020. The Corporation will be allowed to remain in the building, with no payments for rent or utilities except phone service. Early termination by either party will result in forfeiture of amounts related to the shared net proceeds.

For the years ended December 31, 2017 and 2016, the Corporation recognized \$31,000 of value-in-kind revenue and expense for the leased office space. The Corporation is also responsible for the cost of utilities, insurance, repairs, and maintenance.

Total expenses incurred for the years ended December 31, 2017 and 2016, amounted to \$78,512 and \$76,444, respectively. At December 31, 2017 and 2016, the Foundation owed the Corporation \$677 and \$1,364, respectively, for reimbursement of lake and building maintenance expenses. The Corporation owed the Foundation \$1,900 and \$325 at December 31, 2017 and 2016, respectively.

The Foundation is not controlled by the Corporation and therefore consolidated financial statements are not prepared.

D. DEFERRED REVENUE

Deferred revenue consists of the following at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Memberships	\$ 417,996	\$ 423,112
Sanction fees	59,630	54,185
Banquet tickets, magazine ads, miscellaneous	5,021	1,109
Club additional insurance	3,150	4,100
Banquet awards	503	1,397
Sponsorship	<u> </u>	<u>3,500</u>
	<u>\$ 486,300</u>	<u>\$ 487,403</u>

E. LEASES

In the year ended December 31, 2015, the Corporation signed an operating lease for postage equipment that replaced the former lease. The final quarterly payment on the former lease was waived. The new lease requires quarterly payments of \$2,874 and expires April 2021. The Corporation also leases a copier at a monthly rate of \$370 through December 2020.

Notes to Financial Statements

E. LEASES - Continued

As explained in Note C, the Corporation subleases office space from the USA Water Ski & Wake Sports Foundation. No payments are required through December 31, 2020.

Rental expenses under the leases for December 31, 2017 and 2016, were \$15,946 both years.

Minimum future payments on these leases for each of the years ended December 31 are as follows:

2018	\$	15,936
2019		15,936
2020		15,936
2021		2,874

F. RETIREMENT PLAN

During the year ended December 31, 2009, the Corporation established a 401(k) profit sharing plan for its employees. Employees are eligible to participate if they are over the age of twenty-one with at least one year of service. Each year, the Corporation may elect to make a discretionary matching contribution. The contribution will be allocated to participants based on a uniform percentage of employee salary deferrals, as defined by the plan. Total pension expense for the years ended December 31, 2017 and 2016, amounted to \$13,185 and \$12,555, respectively.

G. UNRESTRICTED NET ASSETS - BOARD DESIGNATED

At December 31, 2017 and 2016, Board designated net assets consist of the following:

	<u>2017</u>	<u>2016</u>
Western region	\$ 81,476	\$ 78,907
American Water Ski Association	81,181	67,964
Midwest region	74,530	72,786
Southern region	57,717	62,423
American Barefoot Club	48,885	38,824
Eastern region	46,165	46,827
South Central region	42,429	51,912
Junior Development Fund	25,294	21,555
Wakeboard	12,435	8,355
Water Skiers with		
Disabilities Association	10,607	18,915
American Kneeboard Association	<u>9,396</u>	<u>5,865</u>
	<u>\$ 490,115</u>	<u>\$ 474,333</u>

Notes to Financial Statements

H. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2017 and 2016, are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Teams - other	\$ 20,168	\$ 6,156
Teams - age specific	5,789	4,403
Elite Team	4,295	4,705
Physician	<u>4,173</u>	<u>5,673</u>
	<u>\$ 34,425</u>	<u>\$ 20,937</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended December 31, 2017 and 2016, respectively, temporarily restricted net assets were released from restrictions for the following programs:

	<u>2017</u>	<u>2016</u>
Elite Team	\$ 4,705	\$ 4,348
Teams - other	3,796	17,262
Teams - age specific		
Physician	<u>1,500</u>	<u>10,001</u>
	<u>\$ 10,001</u>	<u>\$ 21,610</u>

I. SPORT DISCIPLINES AND REGIONS

The Corporation has five separate regions and nine separate sport disciplines that assist in administering tournaments across the United States of America. The Corporation granted funding to these regions and disciplines in the amount of \$42,761 and \$77,719 during the years ended December 31, 2017 and 2016, respectively.

USA WATER SKI & WAKE SPORTS, INC.
Schedule of Program Services
For the Year Ended December 31, 2017

	Membership	Publication	National Tournaments	Sport Development	Regional	Sport Discipline	National Teams	Competitions	Towboat Program	Total
Labor allocation	\$ 121,577	\$ 106,768	\$ 37,325	\$ 44,876	\$	\$	\$ 21,436	\$ 37,500	\$ 7,595	\$ 377,077
Insurance	323,159			2,500						325,659
Overhead allocation	56,229	49,788	17,648	20,649			10,075	17,652	3,546	175,587
Sport discipline expense				39,923		116,008				155,931
Regional expense		36,328			118,230					154,558
Entry fees			73,005							73,005
Magazine production		66,170								66,170
Postage	4,122	22,437								26,559
Team tees/caps/sweats							20,199			20,199
Motor vehicle report expense				15,163						15,163
AWSA admin fees			13,755							13,755
TV production			12,018							12,018
Junior U.S. Open expense			10,680							10,680
Exhibits			10,350							10,350
Materials	9,371									9,371
Travel	291	7,449	1,389					156		9,285
Awards			5,372							5,372
Merchandise promotion travel							5,271			5,271
Club development expense				4,136						4,136
Officials shirts			3,640							3,640
Officials room/housing			3,098							3,098
Merchandise shipping expense							2,959			2,959
Instructor certification				2,781						2,781
Grassroots programs				2,170						2,170
Merchandise booth expense							1,811			1,811
Technical equipment								500		500
Banquet expense			476							476
Membership renewal expense	451									451
Officials clinics				406						406
VIP Reception expense			400							400
Ski school & camps expense	370									370
Competition expense								367		367
Miscellaneous expense			200				130			330
Room & board									131	131
Rulebooks								100		100
	<u>\$ 515,570</u>	<u>\$ 288,940</u>	<u>\$ 189,356</u>	<u>\$ 132,604</u>	<u>\$ 118,230</u>	<u>\$ 116,008</u>	<u>\$ 61,881</u>	<u>\$ 55,775</u>	<u>\$ 11,772</u>	<u>\$ 1,490,136</u>

USA WATER SKI & WAKE SPORTS, INC.
Schedule of Supporting Services
For the Year Ended December 31, 2017

	<u>General & Administrative</u>	<u>Sponsorship Development</u>	<u>Total</u>
Salaries	\$ 483,848	\$	\$ 483,848
Employee benefits	48,877		48,877
Insurance	48,228		48,228
Payroll taxes	38,373		38,373
Credit card fees	36,022		36,022
Computer supplies & service	35,885		35,885
Rent	31,000		31,000
Utilities	25,914		25,914
Professional fees	20,477		20,477
Telephone & fax	17,989		17,989
Postage	14,041		14,041
Retirement plan	13,185		13,185
Equipment repair & maintenance	12,362		12,362
Promotion	7,280		7,280
Fulfillment costs		7,220	7,220
Depreciation	7,181		7,181
Printing & duplication	6,350		6,350
Travel	3,459	1,084	4,543
Miscellaneous expense	4,289		4,289
Office supplies	3,751		3,751
Awards banquet	3,450		3,450
Dues & subscriptions	2,665		2,665
Building repair & maintenance	2,248		2,248
Bank charges	1,960		1,960
Taxes & licenses	1,896		1,896
Shipping	667		667
Board of directors & committee meetings	390		390
Overhead allocation	(207,948)	32,361	(175,587)
Labor allocation	(446,522)	69,445	(377,077)
	<u>\$ 217,317</u>	<u>\$ 110,110</u>	<u>\$ 327,427</u>