

**SOCIETY OF AMERICAN
MILITARY ENGINEERS
DECEMBER 31, 2012 AND 2011**

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SARFINOANDRHOADES, LLP

J Gregory Sarfino CPA
David R Himes CPA
Michael J Devlin CPA
Brian W Dow CPA

11921 Rockville Pike, Suite 501
North Bethesda, Maryland
20852-2794

301.770.5500 Voice
301.881.7747 Fax
cpas@sarfinoandrhoades.com
www.sarfinoandrhoades.com

Certified Public Accountants
and Business Advisors

INDEPENDENT AUDITORS' REPORT

**Board of Direction
Society of American Military Engineers
Alexandria, Virginia**

We have audited the accompanying financial statements of the Society of American Military Engineers ("SAME"), which comprise of the statements of financial position as of December 31, 2012 and 2011, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 the Society of American Military Engineers as of December 31, 2012 and 2011, 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.

Sarfin and Rhoades LLP

March 7, 2013

SOCIETY OF AMERICAN MILITARY ENGINEERS
STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31,	
ASSETS	2012	2011
Cash and cash equivalents (Notes 1 and 4):		
Cash and money market funds	\$ 1,746,754	\$ 2,040,090
Certificates of deposit	801,000	1,801,214
Total cash and cash equivalents	\$ 2,547,754	\$ 3,841,304
Accounts receivable, net of allowance for uncollectible accounts of \$6,000 for 2012 and 2011 (Note 1)	78,772	41,030
Prepaid expenses and deposits	285,926	159,678
Investments (Notes 1, 3 and 4)	3,879,319	2,647,740
Property and equipment, net (Notes 1 and 5)	897,928	693,960
TOTAL ASSETS	\$ 7,689,699	\$ 7,383,712
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 442,873	\$ 601,475
Accrued payroll liabilities	185,348	172,509
Deferred compensation (Note 6)	77,197	69,692
Deferred revenues (Note 1):		
Membership	1,101,720	1,136,222
Events	381,495	637,983
Advertising	90,478	64,215
TOTAL LIABILITIES	\$ 2,279,111	\$ 2,682,096
COMMITMENTS (Note 7)		
NET ASSETS (Notes 1, 8 and 9):		
Unrestricted:		
Undesignated	\$ 4,633,143	\$ 4,000,988
Board-designated	448,700	379,700
Temporarily restricted	108,745	110,928
Permanently restricted	220,000	210,000
TOTAL NET ASSETS	\$ 5,410,588	\$ 4,701,616
TOTAL LIABILITIES AND NET ASSETS	\$ 7,689,699	\$ 7,383,712

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

SOCIETY OF AMERICAN MILITARY ENGINEERS
STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31,

2012

2011

	2012			2011				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES:								
Dues	\$ 2,345,292	\$ -	\$ -	\$ 2,345,292	\$ 2,357,935	\$ -	\$ -	\$ 2,357,935
Advertising	1,070,965	-	-	1,070,965	1,310,360	-	-	1,310,360
Conference registrations and income	3,737,092	-	10,000	3,747,092	4,063,627	-	15,000	4,078,627
Continuing education	185,517	-	-	185,517	204,648	-	-	204,648
TISP dues and events	62,225	-	-	62,225	58,795	-	-	58,795
Donations	-	69,550	-	69,550	-	32,026	-	32,026
Other income	36,227	-	-	36,227	35,405	-	-	35,405
Investment income (Note 3)	343,072	25,702	-	368,774	92,348	17,565	-	109,913
Net assets released from restrictions	97,435	(97,435)	-	-	167,383	(167,383)	-	-
TOTAL REVENUES	\$ 7,877,825	\$ (2,183)	\$ 10,000	\$ 7,885,642	\$ 8,290,501	\$ (117,792)	\$ 15,000	\$ 8,187,709
EXPENSES:								
Program services:								
Membership activities	\$ 502,231	\$ -	\$ -	\$ 502,231	\$ 535,978	\$ -	\$ -	\$ 535,978
Society publications	1,032,985	-	-	1,032,985	1,091,883	-	-	1,091,883
Meetings and conferences	3,457,757	-	-	3,457,757	3,670,951	-	-	3,670,951
Continuing education	352,053	-	-	352,053	425,498	-	-	425,498
Post operations	772,709	-	-	772,709	931,433	-	-	931,433
TISP	317,816	-	-	317,816	294,768	-	-	294,768
Total program services	\$ 6,435,551	\$ -	\$ -	\$ 6,435,551	\$ 6,950,511	\$ -	\$ -	\$ 6,950,511
Management and general	739,733	-	-	739,733	626,378	-	-	626,378
Fundraising	1,386	-	-	1,386	1,249	-	-	1,249
TOTAL EXPENSES	\$ 7,176,670	\$ -	\$ -	\$ 7,176,670	\$ 7,578,138	\$ -	\$ -	\$ 7,578,138
CHANGES IN NET ASSETS	\$ 701,155	\$ (2,183)	\$ 10,000	\$ 708,972	\$ 712,363	\$ (117,792)	\$ 15,000	\$ 609,571
NET ASSETS, BEGINNING OF YEAR	4,380,688	110,928	210,000	4,701,616	3,668,325	228,720	195,000	4,092,045
NET ASSETS, END OF YEAR	\$ 5,081,843	\$ 108,745	\$ 220,000	\$ 5,410,588	\$ 4,380,688	\$ 110,928	\$ 210,000	\$ 4,701,616

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

SOCIETY OF AMERICAN MILITARY ENGINEERS
STATEMENTS OF CASH FLOWS

	DECEMBER 31,	
	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 708,972	\$ 609,571
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	79,369	95,416
Realized and unrealized gain on investments	(198,135)	(10,015)
Loss on disposition of fixed assets	1,121	-
Bad debt expense	650	335
Changes in assets and liabilities:		
Accounts receivable	(38,392)	12,295
Prepaid expenses and deposits	(126,248)	(1,402)
Accounts payable and accrued expenses	(158,602)	86,615
Accrued payroll liabilities	12,839	9,089
Deferred compensation	7,505	25,764
Deferred revenues	(264,727)	134,854
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 24,352</u>	<u>\$ 962,522</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	\$ 749,718	\$ 16,387
Purchases of property and equipment	(284,458)	(271,184)
Purchases of investments	(1,783,162)	(1,225,160)
NET CASH USED IN INVESTING ACTIVITIES	<u>\$ (1,317,902)</u>	<u>\$ (1,479,957)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ (1,293,550)	\$ (517,435)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,841,304</u>	<u>4,358,739</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,547,754</u>	<u>\$ 3,841,304</u>
SUPPLEMENTAL DISCLOSURE:		
Income taxes paid	<u>\$ 181,598</u>	<u>\$ 245,100</u>

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

SOCIETY OF AMERICAN MILITARY ENGINEERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

Note 1. **Organization and Summary of Significant Accounting Policies**

Organization - Society of American Military Engineers ("SAME") was founded in 1920 and incorporated in Washington, D.C. Its mission is to promote and facilitate engineering support for national security by developing and enhancing relationships and competencies among uniformed services, public and private sector engineers and related professionals, and by developing future engineers through outreach and mentoring.

Basis of Accounting - The financial statements of SAME are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues and expenses are recognized and recorded when earned or incurred.

Basis of Presentation - SAME 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.

Contributions are recognized at the earlier of when they are received or when the donor makes a promise to give to SAME that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. All other net assets, including board-designated or appropriated amounts are reported as part of the unrestricted class.

Use of Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statements of cash flows, SAME considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Money market funds and certificates of deposit held with investment brokers are considered cash.

Concentration of Credit Risk - SAME maintains its cash in banks, brokerage firms and credit unions. Bank balances in excess of certain limits per banking institution and money market funds held at brokerage firms are not covered by the Federal Deposit Insurance Corporation. Credit union balances which exceed certain limits are not covered by the National Credit Union Administration.

Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances at year-end. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. SAME does not require collateral on its accounts receivable.

SOCIETY OF AMERICAN MILITARY ENGINEERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

Note 1. **Organization and Summary of Significant Accounting Policies - (Continued)**

Investments - Investments in marketable debt and equity securities with readily determinable fair values are stated at fair value in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Property and Equipment - Property and equipment costing \$1,000 or more are recorded at cost. Depreciation is computed using the straight-line method over estimated useful lives ranging from five to twenty five years. Repairs which materially add to the value or extend the useful life of assets are capitalized. All other repair and maintenance costs are expensed in the year incurred. The cost and accumulated depreciation of property sold or retired are removed from the related asset and accumulated depreciation accounts and any resulting gains or losses are recorded in the statements of activities.

Revenue Recognition - Deferred revenue represents unearned funds collected in advance which are to be recognized in the future period when they are earned.

Income Tax Status - SAME is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. Advertising revenue and sales of promotional items are considered unrelated business income. SAME believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

SAME's federal information returns (Form 990) and business income tax returns (Form 990-T) are not subject to examination by the IRS for the years ended December 31, 2008 and prior.

Endowment - SAME's permanently restricted net assets for the E&M Fund meet the definition of endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions or by the designation of the Board of Direction. The Board of Direction of SAME requires the preservation of 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. These requirements are in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), adopted by Virginia.

SAME 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, 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. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the UPMIFA.

SOCIETY OF AMERICAN MILITARY ENGINEERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

Note 1. Organization and Summary of Significant Accounting Policies - (Continued)

SAME has approved investment and spending policies for the endowment portion of the E&M Fund that attempt to provide a predictable stream of funding to the program supported by its endowment while seeking to maintain the purchasing power of the endowment assets over the long term. Assets are invested conservatively in certificate of deposits and in a managed portfolio with investment grade corporate bonds and stocks with emphasis on preserving capital. Investment income for this fund is temporarily restricted for Education and Mentoring (E&M) Fund activities.

A portion of the E&M Fund was created from unrestricted board designations, and consists of cumulative transfers from the net proceeds of certain SAME events including (a) annual national conferences (b) Golden Eagle dinners (c) Small Business Conferences, and (d) other miscellaneous sources.

Functional Allocation of Expenses - The costs of providing programs and other supporting activities have been summarized on a functional basis in the supplemental schedule of functional expenses. Certain costs have been allocated among the programs, management and general and fundraising based on salaries, number of employees and other criteria.

Note 2. Related Party Transactions - During the years ended December 31, 2012 and 2011, the Society paid \$221,203 and \$23,052 to a local design company for goods and services provided in connection with the Century House Renovation Project. The owner of the design company is a relative of an officer of the society. At December 31, 2012 and 2011, \$9,186 and \$0 of the accounts payable balance was due to this company.

SOCIETY OF AMERICAN MILITARY ENGINEERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

Note 3. **Investments** - Investments are recorded at fair value and consisted of the following as of December 31:

	2012	2011
Fixed income:		
Government obligations	\$ 491,587	\$ 641,599
Mutual funds	716,504	422,215
Corporate bonds	878,630	392,463
Total fixed income	\$ 2,086,721	\$ 1,456,277
Exchange traded funds	\$ -	\$ 5,080
Equity:		
Mutual funds	\$ 1,132,919	\$ 980,018
Common Stocks	500,368	185,949
Preferred stocks	159,311	20,416
Total equity	\$ 1,792,598	\$ 1,186,383
Total investments	\$ 3,879,319	\$ 2,647,740
Aggregate cost of investments	\$ 3,560,034	\$ 2,487,451

The following summarizes investment income for the years ended December 31:

	2012	2011
Interest and dividends	\$ 170,639	\$ 99,898
Net realized and unrealized gains	198,135	10,015
Totals	\$ 368,774	\$ 109,913

Note 4. **Fair Value Measurement** - SAME measures its investments and money market funds at fair value as required by the Fair Value Measurements Topic of the Accounting Standards Codification of the Financial Accounting Standards Board (FASB). The inputs to valuation techniques are prioritized in a hierarchy and are described as follows: level 1 inputs are based on quoted prices in active markets for identical assets; level 2 inputs are based on observable market data, generally other than quoted prices; level 3 inputs are based on significant unobservable data. There were no level 3 valued investments for the years ended December 31, 2012 and 2011.

Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

The following methods and assumptions were used to estimate fair value of each class of financial instruments:

SOCIETY OF AMERICAN MILITARY ENGINEERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

Note 4. Fair Value Measurement – (Continued)

Money Market Funds - Money Market funds are presented as cash in the statement of financial position. The fund is valued by the institutional fund management at the stated price of the fund which generally approximates the original cost and the value of the underlying assets.

Exchange Traded Funds, Government Obligations and Corporate Bonds - Valued at the closing price reported in the active market in which the individual security is traded.

Mutual Funds and Stocks - Securities which are traded on a national securities exchange are valued at the last reported sales price on the last business day of the year.

The following table sets forth by level SAME's assets at fair value as of December 31, 2012:

	<u>Level 1</u>	<u>Level 2</u>
Government obligations	\$ -	\$ 491,587
Corporate bonds	-	878,630
Fixed income mutual funds	716,504	-
Equity mutual funds	1,132,919	-
Common stocks	500,368	-
Preferred stocks	159,311	-
Totals	<u>\$ 2,509,102</u>	<u>\$ 1,370,217</u>

The following table sets forth by level, SAME's assets at fair value as of December 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>
Money market funds	\$ -	\$ 56,408
Government obligations	-	641,599
Corporate bonds	-	392,463
Fixed income mutual funds	422,215	-
Exchange traded funds	-	5,080
Equity mutual funds	980,018	-
Common stocks	185,949	-
Preferred stocks	20,416	-
Totals	<u>\$ 1,608,598</u>	<u>\$ 1,095,550</u>

SOCIETY OF AMERICAN MILITARY ENGINEERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

Note 5. **Property and Equipment** - The following is a summary of property and equipment as of December 31:

	2012	2011
Building and improvements	\$ 1,069,374	\$ 977,544
Office furniture and equipment	413,965	255,399
AMS software	284,461	284,461
Land	219,970	219,970
Subtotal	\$ 1,987,770	\$ 1,737,374
Less, Accumulated depreciation	1,089,842	1,043,414
Totals	\$ 897,928	\$ 693,960

Depreciation expense for the years ended December 31, 2012 and 2011 amounted to \$79,369 and \$95,416, respectively.

Note 6. **Retirement Plan** - SAME maintains a tax-deferred annuity plan under Section 403(b) of the Internal Revenue Code for its employees. Employees may elect to make voluntary pre-tax contributions under a salary deferral agreement. Employees are fully and immediately vested in all contributions made by SAME. Contributions to the plan in 2012 and 2011 were \$90,673 and \$83,792, respectively. This plan was terminated at December 31, 2012 and a new 401k was established with an effective date of January 1, 2013.

SAME established a deferred compensation plan under Internal Revenue Service Code Section 457(b) for SAME's highly compensated employees. SAME's matching contributions to the plan for the years ended December 31, 2012 and 2011 were \$9,986 and \$12,204, respectively.

Note 7. **Commitments** - SAME leases office equipment under operating leases. Approximate minimum future lease payments are as follows:

Year ending December 31,	
2013	\$ 15,984
2014	5,085
Total	\$ 21,069

Total operating lease expenses for the years ended December 31, 2012 and 2011 were \$22,760 and \$24,598, respectively.

SOCIETY OF AMERICAN MILITARY ENGINEERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

Note 7. **Commitments** – (Continued)

SAME has also entered into certain agreements with facilities relating to conferences. Such agreements generally contain provisions which obligate SAME to book a minimum number of room nights and to spend certain minimums for food and beverages. Should these minimums not be achieved, the agreements obligate SAME to pay certain specified amounts.

Note 8. **Restricted Net Assets** - Restricted net assets are composed of temporarily restricted net assets and permanently restricted net assets.

Restricted net assets composition as of December 31, 2012 are as follows:

	Temporarily Restricted	Permanently Restricted
Education and Mentoring Fund	\$ 82,380	\$ 220,000
Wounded Warriors Fund	26,365	-
Totals	\$ 108,745	\$ 220,000

Restricted net assets composition as of December 31, 2011 are as follows:

	Temporarily Restricted	Permanently Restricted
Education and Mentoring Fund	\$ 84,657	\$ 210,000
Wounded Warriors Fund	26,271	-
Totals	\$ 110,928	\$ 210,000

Note 9. **Endowment Fund** - Changes in net assets of the Education and Mentoring Fund for the year ended December 31, 2012 were as follows:

	Board- Designated	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 379,700	\$ 84,657	\$ 210,000	\$ 674,357
Contributions and transfers	69,000	16,844	10,000	95,844
Interest income	-	25,701	-	25,701
Expenditures	-	(44,822)	-	(44,822)
Endowment net assets, end of year	\$ 448,700	\$ 82,380	\$ 220,000	\$ 751,080

SOCIETY OF AMERICAN MILITARY ENGINEERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

Note 9. Endowment Fund - (Continued)

Changes in net assets of the Education and Mentoring Fund for the year ended December 31, 2011 were as follows:

	<u>Board- Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 308,683	\$ 70,840	\$ 195,000	\$ 574,523
Contributions and transfers	71,017	4,479	15,000	90,496
Interest income	-	17,565	-	17,565
Expenditures	-	(8,227)	-	(8,227)
Endowment net assets, end of year	<u>\$ 379,700</u>	<u>\$ 84,657</u>	<u>\$ 210,000</u>	<u>\$ 674,357</u>

Note 10. Income Tax - The components of the provision for income taxes for the years ended December 31, were as follows:

	<u>2012</u>	<u>2011</u>
Federal	\$ 117,017	\$ 188,351
State	22,002	35,263
	<u>\$ 139,019</u>	<u>\$ 223,614</u>

Note 11. Subsequent Events - In preparation of these financial statements, SAME has evaluated events and transactions for potential recognition or disclosure through March 7, 2013, which is the date the financial statements were available to be issued.

SARFINO AND RHOADES, LLP

J Gregory Sarfino CPA
David R Himes CPA
Michael J Devlin CPA
Brian W Dow CPA

11921 Rockville Pike, Suite 501
North Bethesda, Maryland
20852-2794

301.770.5500 Voice
301.881.7747 Fax
cpas@sarfinoandrhowades.com
www.sarfinoandrhowades.com

Certified Public Accountants
and Business Advisors

INDEPENDENT AUDITORS' REPORT ON INFORMATION ACCOMPANYING THE BASIC FINANCIAL STATEMENTS

Board of Direction
Society of American Military Engineers
Alexandria, Virginia

We have audited the financial statements of the Society of American Military Engineers as of and for the years ended December 31, 2012 and 2011, and have issued our report thereon dated March 7, 2013, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses for the year ended December 31, 2012 is presented for the purpose of additional analysis and is 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.

Sarfino and Rhoades LLP

March 7, 2013

SOCIETY OF AMERICAN MILITARY ENGINEERS
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012
(With comparative totals for 2011)

	Program Services										Total
	Membership Activities	Society Publications	Meetings and Conferences	Continuing Education	Post Operations	TISP	Program Services	Management and General	Fundraising	2012 Total	
Salaries and wages	\$ 271,367	\$ 314,811	\$ 528,081	\$ 156,543	\$ 113,272	\$ 168,684	\$ 1,552,758	\$ 357,751	\$ 421	\$ 1,910,930	\$ 1,880,886
Payroll tax expense	19,296	22,384	36,508	11,131	8,054	11,994	109,367	24,939	30	134,336	137,829
Retirement (Note 6)	14,459	16,773	27,356	8,340	6,035	8,987	81,950	18,687	22	100,659	95,996
Other employee benefits	35,922	41,672	67,966	20,722	14,994	24,859	206,135	46,428	56	252,619	189,821
Subtotal	\$ 341,044	\$ 395,640	\$ 659,911	\$ 196,736	\$ 142,355	\$ 214,524	\$ 1,950,210	\$ 447,805	\$ 529	\$ 2,398,544	\$ 2,304,532
Professional fees	17,277	35,356	45,360	97,615	4,263	10,770	210,641	99,022	-	309,663	259,472
Dues to Posts	-	-	-	-	333,117	-	333,117	-	-	333,117	523,183
Meeting expense:											
Facilities rental	-	-	85,737	-	-	-	85,737	-	-	85,737	96,013
Catering	-	-	1,264,065	16,557	33,455	27,245	1,341,322	16,559	-	1,357,881	1,804,663
Audio-visual	-	-	241,409	2,630	3,868	4,685	252,592	4,248	-	256,840	229,913
Exhibit costs	-	-	168,451	-	-	-	168,451	-	-	168,451	119,458
Revenue sharing	-	-	311,200	-	-	-	311,200	-	-	311,200	280,450
Other meeting expense	-	-	389,162	660	9,500	2,392	401,714	47	-	401,761	386,020
Travel	-	842	87,017	7,813	57,683	8,253	161,608	8,822	-	170,430	147,250
Production and printing	-	224,913	36,267	-	-	1,931	263,111	696	-	263,807	268,135
Advertising commissions											
and other	1,297	68,560	15,500	-	-	730	86,087	2,500	-	88,587	105,256
Postage and delivery	22,135	58,331	8,403	825	3,347	1,615	94,656	5,188	346	100,190	93,413
Awards	-	-	40,256	-	150,179	-	190,435	-	-	190,435	138,195
Cost of promotion items	11,523	-	-	-	12,720	-	24,243	-	-	24,243	20,251
Repairs and maintenance	14,401	21,601	14,401	5,424	3,553	8,977	68,357	67,370	-	135,727	69,325
Utilities	5,720	8,582	5,721	11,584	1,420	5,862	38,889	10,001	-	48,890	57,544
Computer expense	15,559	42,807	8,891	556	1,667	4,036	73,516	18,337	-	91,853	110,708
Office supplies and expense	7,388	8,570	13,978	4,262	3,084	19,433	56,715	9,549	511	66,775	53,206
Insurance - general	3,995	5,992	22,213	1,504	2,473	2,490	38,667	8,464	-	47,130	52,886
Credit card and bank fees	34,714	11,046	30,771	2,367	-	-	78,898	-	-	78,898	110,468
Taxes and licenses (Notes 1 and 10)	-	139,019	-	-	-	-	139,019	27,479	-	166,498	251,988
Depreciation (Note 5)	27,178	11,726	8,393	3,520	10,025	4,873	65,715	13,654	-	79,369	95,416
Miscellaneous	-	-	651	-	-	-	651	(7)	-	644	393
Total expenses	\$ 502,231	\$ 1,032,985	\$ 3,457,757	\$ 352,053	\$ 772,709	\$ 317,816	\$ 6,435,551	\$ 739,733	\$ 1,386	\$ 7,176,670	\$ 7,578,138

