AMERICAN INSTITUTE FOR ECONOMIC RESEARCH
AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT

December 31, 2010 and 2009

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C O N T E N T S

BOLLAM, SHEEDY, TORANI & CO. LLP
Certified Public Accountants
Albany, New York

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
American Institute for Economic Research and Subsidiary
Great Barrington, Massachusetts

We have audited the accompanying consolidated statements of financial position of American Institute for Economic Research and Subsidiary (AIER) as of December 31, 2010 and 2009, and the related consolidated statements of activities and change in net assets and cash flows for the years then ended. These financial statements are the responsibility of American Institute for Economic Research's and Subsidiary's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of American Investment Services, Inc. (AIS), the consolidated subsidiary as of December 31, 2009, and for the year then ended, which statements reflect total assets and revenue constituting .54% and 10%, respectively, of the consolidated totals. These statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts for AIS, is based solely on the report of the other auditors.

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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits, and the report of other auditors, provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditor, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AIER as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information presented on pages 15 through 19 is for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Albany, New York
March 28, 2011

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH
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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31, 2010		
	Unrestricted	**Temporarily Restricted**	**Total**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 1,747,658	$ -	$ 1,747,658
Investments	8,540,926	-	8,540,926
Accounts receivable	381,055	-	381,055
Inventory	104,969	-	104,969
Prepaid expenses	50,500	-	50,500
Total current assets	10,825,108	-	10,825,108
PROPERTY AND EQUIPMENT, net	3,182,415	-	3,182,415
INVESTMENTS HELD UNDER SPLIT-INTEREST AGREEMENTS	-	141,363,571	141,363,571
TOTAL ASSETS	**$ 14,007,523**	**$ 141,363,571**	**$ 155,371,094**
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	$ 131,586	$ -	$ 131,586
Investment advisory fee payable	-	96,320	96,320
Distribution payable	-	1,123,183	1,123,183
Accrued salaries and paid leave	261,706	-	261,706
Accrued and withheld payroll taxes	-	-	-
Accrued income tax	49,642	-	49,642
Unearned subscription income	242,483	-	242,483
Total current liabilities	685,417	1,219,503	1,904,920
LONG-TERM LIABILITIES			
Liabilities under split-interest agreements	-	82,104,945	82,104,945
Unearned subscription income	145,685	-	145,685
	145,685	82,104,945	82,250,630
COMMITMENTS AND CONTINGENCIES			
NET ASSETS			
Unrestricted			
Undesignated	7,065,664	-	7,065,664
Designated			
Board designated	2,929,810	-	2,929,810
Investment in property and equipment	3,180,947	-	3,180,947
Total designated	6,110,757	-	6,110,757
Temporarily restricted			
Assets held under split-interest agreements	-	58,039,123	58,039,123
	13,176,421	58,039,123	71,215,544
TOTAL LIABILITIES AND NET ASSETS	**$ 14,007,523**	**$ 141,363,571**	**$ 155,371,094**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

	December 31, 2009		
	Unrestricted	Temporarily Restricted	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 2,242,119	$ -	$ 2,242,119
Investments	6,949,914	-	6,949,914
Accounts receivable	355,873	-	355,873
Inventory	103,389	-	103,389
Prepaid expenses	60,630	-	60,630
Total current assets	9,711,925	-	9,711,925
PROPERTY AND EQUIPMENT, net	3,386,973	-	3,386,973
INVESTMENTS HELD UNDER SPLIT-INTEREST AGREEMENTS	-	127,936,914	127,936,914
TOTAL ASSETS	**$ 13,098,898**	**$ 127,936,914**	**$ 141,035,812**
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	$ 156,524	$ -	$ 156,524
Investment advisory fee payable	-	87,150	87,150
Distribution payable	-	1,110,002	1,110,002
Accrued salaries and paid leave	171,307	-	171,307
Accrued and withheld payroll taxes	1,300	-	1,300
Accrued income tax	-	-	-
Unearned subscription income	419,661	-	419,661
Total current liabilities	748,792	1,197,152	1,945,944
LONG-TERM LIABILITIES			
Liabilities under split-interest agreements	-	70,092,935	70,092,935
Unearned subscription income	87,098	-	87,098
	87,098	70,092,935	70,180,033
COMMITMENTS AND CONTINGENCIES			
NET ASSETS			
Unrestricted			
Undesignated	3,367,384	-	3,367,384
Designated			
Board designated	5,513,500	-	5,513,500
Investment in property and equipment	3,382,124	-	3,382,124
Total designated	8,895,624	-	8,895,624
Temporarily restricted			
Assets held under split-interest agreements	-	56,646,827	56,646,827
	12,263,008	56,646,827	68,909,835
TOTAL LIABILITIES AND NET ASSETS	**$ 13,098,898**	**$ 127,936,914**	**$ 141,035,812**

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH
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CONSOLIDATED STATEMENTS OF ACTIVITIES
AND CHANGE IN NET ASSETS

	Year Ended December 31, 2010		
	Unrestricted	**Temporarily Restricted**	**Total**
REVENUE, GAINS, AND OTHER SUPPORT			
Operating revenue			
Subscription revenues	$ 593,757	-	$ 593,757
Sales of publications	308,857	-	308,857
Client services, revenue of subsidiary	1,409,051	-	1,409,051
Other revenues	51,543	-	51,543
Total operating revenue	2,363,208	-	2,363,208
Bequests	351,620		351,620
Contributions	95,828	131,767	227,595
Interest and dividends	253,072	-	253,072
Realized gains on investment transactions, net	444,900	-	444,900
Unrealized gains on investments	505,456	-	505,456
Change in value of split-interest agreements	-	3,448,362	3,448,362
Change in value of charitable gift annuities	-	-	-
Net assets released from restrictions	2,187,833	(2,187,833)	-
Total revenue, gains, and other support	6,201,917	1,392,296	7,594,213
EXPENSES AND LOSSES			
Research and publications	3,104,654	-	3,104,654
Fellowship program	316,479	-	316,479
Conferences	90,199	-	90,199
Investment management	1,280,818	-	1,280,818
Fundraising	76,961	-	76,961
Management and general	419,393	-	419,393
Total expenses and losses	5,288,504	-	5,288,504
CHANGE IN NET ASSETS	**913,413**	**1,392,296**	**2,305,709**
NET ASSETS, beginning of year	12,263,008	56,646,827	68,909,835
NET ASSETS, end of year	**$ 13,176,421**	**$ 58,039,123**	**$ 71,215,544**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

	Year Ended December 31, 2009		
	Unrestricted	Temporarily Restricted	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Operating revenue			
Subscription revenues	$ 803,714	$ -	$ 803,714
Sales of publications	817,518	-	817,518
Client services, revenue of subsidiary	1,248,322	-	1,248,322
Other revenues	17,164	-	17,164
Total operating revenue	2,886,718	-	2,886,718
Bequests	255,206	-	255,206
Contributions	111,387	273,755	385,142
Interest and dividends	233,950	-	233,950
Realized losses on investment transactions, net	(1,136)	-	(1,136)
Unrealized gains on investments	400,277	-	400,277
Change in value of split-interest agreements	-	10,571,187	10,571,187
Change in value of charitable gift annuities	25,303	-	25,303
Net assets released from restrictions	2,746,317	(2,746,317)	-
Total revenue, gains, and other support	6,658,022	8,098,625	14,756,647
EXPENSES AND LOSSES			
Research and publications	4,284,536	-	4,284,536
Fellowship program	468,192	-	468,192
Conferences	93,929	-	93,929
Investment management	1,291,897	-	1,291,897
Fundraising	102,061	-	102,061
Management and general	486,662	-	486,662
Total expenses and losses	6,727,277	-	6,727,277
CHANGE IN NET ASSETS	**(69,255)**	**8,098,625**	**8,029,370**
NET ASSETS, beginning of year	12,332,263	48,548,202	60,880,465
NET ASSETS, end of year	**$ 12,263,008**	**$ 56,646,827**	**$ 68,909,835**

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2010	2009
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	$ 2,305,709	$ 8,029,370
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	214,047	242,875
Reinvested earnings	(9,250)	(118,506)
Realized (gain) loss on investments transactions	(444,900)	1,135
Unrealized gains on investments	(505,456)	(400,277)
(Increase) decrease in		
Accounts receivable	(25,182)	17,956
Inventory	(1,580)	109,026
Prepaid expenses	10,127	18,914
Increase (decrease) in		
Accounts payable	(24,938)	41,535
Accrued salaries and paid leave	90,399	(20,212)
Accrued and withheld payroll and income tax	48,342	(131)
Unearned subscription income	(118,591)	(180,430)
	1,538,727	**7,741,255**
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Purchase of investments	(6,060,331)	-
Proceeds from investment transactions	5,428,927	703
Return of capital REIT and DFA funds	-	38,855
Proceeds from sale of equipment	(1,958)	-
Purchases of property and equipment	(7,530)	(81,542)
(Increase) in investments held under split-interest agreements	(13,426,657)	(15,452,960)
Increase in investment advisory fee payable	9,170	4,209
(Decrease) increase in distributions payable	13,181	(714,942)
Increase in liability under split-interest agreements	12,012,010	8,045,415
	(2,033,188)	**(8,160,262)**
Net decrease in cash and cash equivalents	**(494,461)**	**(419,007)**
CASH AND CASH EQUIVALENTS, beginning of year	2,242,119	2,661,126
CASH AND CASH EQUIVALENTS, end of year	**$ 1,747,658**	**$ 2,242,119**
SUPPLEMENTAL CASH FLOWS INFORMATION		
Cash paid during the year for		
Income taxes	$ 50,836	$ (11,094)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

American Institute for Economic Research, Inc. (AIER) began operations during December 1933 and was incorporated on May 15, 1939, under the provisions of Chapter 180 of the General Laws of Massachusetts as an organization operated for charitable, scientific, and educational purposes.

During October 1978, American Investment Services, Inc. (AIS) was incorporated under the General Laws of Delaware. AIER is the sole stockholder of AIS. AIS began operations as an investment advisor in early February 1979, when the SEC approved AIS's registration.

AIER is trustee of two pooled income funds: RLI Stock Fund I and RLI Stock Fund II. The pooled income funds are subject to split-interest agreements with donors. The charitable remainders become available to AIER upon expiration of the income beneficiaries' interests. When assets are contributed to the pooled income funds, the beneficiaries are assigned units of participation in the funds. These units are used to determine each beneficiary's share of distributable net income and to value the remainder interests when the beneficiary's income interest is expired. Capital gains are retained within the trust. All investment income, less associated expenses, is distributed to the income beneficiaries of the funds.

AIER is trustee and charitable remainderman of numerous charitable remainder unitrusts, each subject to a fixed rate payout obligation. One trust instrument has been approved by the Internal Revenue Service and the others follow the approved form in all material aspects. Upon expiration of each trust term, the balance of the trust assets is distributed to AIER as the charitable remainderman.

AIER and AIS are referred to collectively herein as the Organization.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

b. Functional Areas

The statements of activities and change in net assets include the revenues and expenses allocable to the major areas of program activities conducted by the Organization.

AIER

AIER researches topics of current and long-term interest in the field of economics. The results of the research activity are disseminated to the public in the periodic economic reports and occasional booklets in the areas of fiscal and monetary economics, reflecting detailed analyses of particular subjects with some emphasis on personal economic problems.

AIER conducts fellowship programs in economics. Summer Fellowships are awarded to college and university seniors who plan to enter a doctoral program in economics or an affiliated program and second year graduate students. Summer Fellows attend seminars, conduct independent research, and study during the summer sessions at AIER. Visiting Research Fellows conduct research in fields such as money, banking, and credit; public and personal finance; economic and monetary policy; economic methodology, and the role of individual freedom, private property, and free enterprise in economic progress.

AIER hosts periodic conferences on topics of current interest in the areas of fiscal and monetary economics. Leading scholars are invited to participate, and the results are published and disseminated to the public.

Management and general expense includes the functions necessary to provide coordination and articulation of AIER's program strategy, to secure proper administrative functioning for AIER, the costs associated with maintaining AIER's Planned Giving programs, and to manage the financial responsibilities of AIER.

Fundraising expense includes the structure necessary to encourage and secure private financial support (both unrestricted gifts and long-term split-interest gifts) from all sources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

b. Functional Areas - Continued

AIS

AIS provides asset investment management and investment advisory services to individuals, trusts, endowments, 401(k) plans, pension plans, foundations, and nonprofit institutions based on AIER's research and publishes a monthly newsletter.

c. Consolidated Financial Statements

The financial statements include the accounts of AIER and its subsidiary, AIS. All significant intercompany transactions and accounts are eliminated. The accompanying consolidated financial statements reflect the terms of rental and shared cost agreements with respect to the use of facilities and certain services provided by AIER to AIS. Rent expense is based on the rental value for comparable space. Charges for shared personnel costs have been apportioned based upon time and materials. The total of both the shared cost agreement and personnel costs were $151,200 for both years ended December 31, 2010 and 2009.

d. Basis of Accounting

The accompanying consolidated financial statements are prepared on the accrual basis of accounting.

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues, gains, other support, and expenses during the reporting period. Actual results could differ from those estimates.

e. Fair Value Measurements

The Organization reports certain assets and liabilities at fair value. Fair value is defined as an exchange price that would be received for an asset or paid to transfer a liability (an "exit" price) in the principal or most advantageous market for the asset or liability between market participants on the measurement date. See Note 11 for additional information.

On December 31, 2010, the Organization adopted Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements*. This new accounting guidance under ASC 820, *Fair Value Measurements and Disclosures*, requires additional disclosures about fair value measurements, including (a) the amounts and reasons for certain significant transfers among the three hierarchy levels of inputs, (b) the gross, rather than net, basis for certain Level 3 roll-forward information, (c) use of a "class" basis rather than a "major category" basis for assets and liabilities, and (d) valuation techniques and inputs used to estimate Level 2 and Level 3 fair value measurements.

f. Cash Equivalents

The Organization considers all certificates of deposits and money market accounts readily converted to cash to be cash equivalents. Money market accounts are held separately and reported with other restricted investments.

g. Investments

AIER's marketable securities are carried at fair value as determined by quoted market prices. The net realized and unrealized gains (losses) on investments are reflected in the statements of activities and change in net assets. AIS classifies its investments as available-for-sale securities. Available-for-sale securities are valued at fair value as determined by quoted market prices, with net unrealized gains and losses, net of tax, included in other comprehensive income. The impact of this recognition has been eliminated in the consolidation process.

Management evaluates securities for other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near term prospects of the issuer, and (3) the intent and ability of AIER's to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. AIER determined that there were no other-than-temporary impairments as of December 31, 2010.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

h. Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Management feels that no allowance is necessary at both December 31, 2010 and 2009.

i. Inventory

Inventory consists of publications, paper, and envelopes unused in production and postage. Inventory is reported at lower of cost (first-in, first-out) or net realizable value.

j. Property and Equipment, Net

Property and equipment are reported at cost, net of accumulated depreciation. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation and any resultant gain or loss is credited in the statements of activities and change in net assets.

Depreciation is provided for in amounts to relate the cost of depreciable assets to operations over their estimated useful lives on a straight-line basis. The estimated lives used in determining depreciation vary from five to thirty years.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over the fair value of the asset.

k. Split-Interest Agreements

AIER records its interest in trusts at fair value of the related assets with a corresponding liability for the actuarially determined present value of payments to be made to designated beneficiaries. This liability is measured using discount rate and actuarial assumptions reflecting the terms of the agreement and the estimated time of receipt. The change in the value of split-interest agreements represents year-to-year changes in the actuarial life of beneficiaries, new gifts, remainders released from the trust funds, and changes in the value of assets held by the trust.

l. Accrued Paid Leave

Accrued paid leave is computed on the basis of each employee's earned but unused paid leave days, multiplied by the employee's current daily rate.

m. Unearned Subscription Income

Unearned income from subscriptions and fees is deferred and recognized over the periods to which the fees relate.

n. Revenue Recognition

The Organization recognizes revenue when amounts and timing are fixed or determinable and collection is reasonably assured. Recognition criteria by revenue type is as follows:

- Revenue from the sales of books and publications is recognized when an order and corresponding payment is received;
- Revenue from unrestricted contributions is recognized when payment is received, and
- Revenue from donor-restricted contributions and related investment earnings are recognized when restrictions lapse.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

o. Recognition of Donor Restrictions and Board Designated Net Assets

The net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets are not subject to donor-imposed restrictions. Unrestricted net assets consist of undesignated funds, Board designated funds, investment in property and equipment, and equity interest in the subsidiary.

The Board of Trustees unanimously approved the following Board Designations on Unrestricted Net Assets:

- A $500,000 reserve as of December 31, 2010 and 2009, for legal defense beyond insured coverage, other unforeseen events, or affirmative legal actions. Drawing on this reserve requires Board approval.
- A reserve equal to the amount required to balance the Board-approved operating budget. This reserve was $2,429,810 and $5,013,500 as of December 31, 2010 and 2009, respectively.
- A reserve of $3,180,947 and $3,382,124 as of December 31, 2010 and 2009, respectively, for investment of property and equipment.

Temporarily restricted net assets are subject to donor-imposed stipulations that will be met by the passage of time. They include the net assets under the two RLI Stock Funds (pooled income funds), the charitable remainder unitrusts, and bequests to be received in future years.

All donor-restricted support, and the related investment earnings, are reported as increases in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

p. Donated Assets and Services

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the time of contribution.

q. Advertising

AIER conducts direct mail advertising. These expenses are recognized as incurred and were $458,996 and $1,442,256 for the years ended December 31, 2010 and 2009, respectively.

r. Tax Status

AIER is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and files Form 990 (Return of Organization Exempt from Income Tax) annually.

AIS is a taxable corporation.

Income taxes on AIS are recorded using the asset and liability method. Deferred tax assets and liabilities are determined based on the differences between the financial accounting and tax basis of assets and liabilities. Deferred tax assets or liabilities at the end of each period are determined using the currently enacted tax rate expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be settled or realized. Deferred tax expense (benefit) is the result of changes in deferred tax assets and liabilities.

The Organization presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Organization has taken no tax positions that require adjustment in its consolidated financial statements.

The Organization's tax returns are subject to examination by taxing authorities. The Organization is no longer subject to tax examination for the years ended December 31, 2006, and prior.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

s. Allocation of Expenses

Direct expenses are charged directly to the related research or education program. Direct expenses that relate to more than one program are allocated between and charged to the appropriate programs using specific allocation methods. Expenses that are not directly identifiable with a specific program, but provide for the overall support and direction of the Organization, are charged to management and general expenses.

t. Subsequent Events

In preparing the financial statements and notes thereto, the Organization has considered subsequent events through March 28, 2011, the date the financial statements were available to be issued.

NOTE 2 - INVESTMENTS

The Organization reports investments in marketable equity and fixed income securities at market value. Both realized and unrealized gains and losses are included in the statements of activities and change in net assets.

A summary of the Organization's investments is as follows:

	December 31, 2010			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Equity securities	$ 5,338,204	$ 1,127,505	$ 94	$ 6,465,615
Fixed income securities	2,034,554	41,162	405	2,075,311
	$ 7,372,758	$ 1,168,667	$ 499	$ 8,540,926

	December 31, 2009			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Equity securities	$ 2,551,901	$ 843,509	$ 287,226	$ 3,108,184
Fixed income securities	3,735,301	106,429	-	3,841,730
	$ 6,287,202	$ 949,938	$ 287,226	$ 6,949,914

For the years ended December 31, 2010 and 2009, the investments earned interest and dividends of $253,072 and 233,949, respectively.

NOTE 3 - PROPERTY AND EQUIPMENT, NET

A summary of property and equipment, net, is as follows:

	December 31,	
	2010	2009
Land	$ 13,946	$ 13,946
Buildings and improvements	4,316,364	4,308,834
Driveway and sewer	247,799	247,799
Equipment	722,025	720,067
Vehicles	44,689	44,689
	5,344,823	5,335,335
Less accumulated depreciation	2,162,408	1,948,362
Property and equipment, net	$ 3,182,415	$ 3,386,973

NOTE 4 - SPLIT-INTEREST AGREEMENTS

Investments Held Under Split-Interest Agreements

A summary of investments held under split-interest agreements is as follows:

	December 31, 2010			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash and cash equivalents	$ 2,124,138	$ -	$ -	$ 2,124,138
Equity securities	83,390,191	23,728,073	1,754,014	105,364,250
Fixed income securities	32,726,903	1,026,330	70,114	33,683,119
Accrued interest	192,064	-	-	192,064
	$ 118,433,296	$ 24,754,403	$ 1,824,128	$ 141,363,571

	December 31, 2009			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash and cash equivalents	$ 4,446,395	$ -	$ -	$ 4,446,395
Equity securities	84,429,413	12,732,266	5,216,290	91,945,389
Fixed income securities	30,482,823	932,830	21,369	31,394,284
Accrued interest	150,846	-	-	150,846
	$ 119,509,477	$ 13,665,096	$ 5,237,659	$ 127,936,914

Liabilities Under Split-Interest Agreements

The obligations as trustee for each pooled income fund and charitable remainder trust are reported herein as liabilities under split-interest agreements. The obligations are estimated at the time of the agreements (pooled income or unitrust) based on the average life expectancies of the beneficiaries and the expected rate of return on invested assets. Any excess amount of the gift over the estimated liability is recorded as a temporarily restricted net asset. The obligations are subject to adjustments and reflect amortization of any discount, reevaluation of the present value of estimated future payments, and any change in actuarial assumptions. Such adjustments, if any, are recorded in the statement of activities as a change in value of split-interest agreements. The assumptions used in computing the liabilities under split-interest agreements include discount rates and life expectancies based on published single and multiple life expectancy tables.

NOTE 5 - LINE-OF-CREDIT

AIS has a working line-of-credit secured by all assets of AIS. The total amount available as of December 31, 2010 and 2009, was $250,000. Interest is charged at the prime rate, which was 3.25% at both December 31, 2010 and 2009. The balance was $-0- at both December 31, 2010 and 2009. The line-of-credit is on demand and is reviewed annually by the bank for renewal.

NOTE 6 - NET ASSETS AND STOCKHOLDER'S EQUITY

A summary of the net assets and stockholder's equity for AIER and AIS is as follows:

	December 31, 2010			
	AIER	AIS	Eliminating Entries	Consolidated Total
Common stock, no par value, 1,000 shares authorized, 400 shares issued and outstanding	$ -	$ 355,154	$ (355,154)	$ -
Retained earnings	-	222,762	(222,762)	-
Accumulated comprehensive income	-	5,108	(5,108)	-
Net assets, unrestricted	12,593,397	-	583,024	13,176,421
Net assets, temporarily restricted	58,039,123	-	-	58,039,123
	$ 70,632,520	$ 583,024	$ -	$ 71,215,544

	December 31, 2009			
	AIER	AIS	Eliminating Entries	Consolidated Total
Common stock, no par value, 1,000 shares authorized, 400 shares issued and outstanding	$ -	$ 355,154	$ (355,154)	$ -
Retained earnings	-	180,072	(180,072)	-
Accumulated comprehensive income	-	4,511	(4,511)	-
Net assets, unrestricted	11,723,271	-	539,737	12,263,008
Net assets, temporarily restricted	56,646,827	-	-	56,646,827
	$ 68,370,098	$ 539,737	$ -	$ 68,909,835

NOTE 7 - CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENTS

A summary of the components of the change in value of split-interest agreements is as follows:

	Years Ended December 31,	
	2010	2009
Investment income	$ 4,114,332	$ 3,965,965
Realized gain (loss) on investment transactions	1,181,850	(11,245,723)
Unrealized gain on investments	14,502,839	30,213,593
Change in liabilities under split-interest agreements	(12,012,010)	(8,065,068)
Distributions to beneficiaries	(3,949,666)	(3,955,879)
Investment advisory fee	(361,902)	(314,342)
Other	(27,081)	(27,359)
	$ 3,448,362	$ 10,571,187

NOTE 8 - DEFINED CONTRIBUTION PLAN

The Organization offers a defined contribution plan that includes a discretionary contribution equal to a percentage of each eligible employee's compensation. For the years ended December 31, 2010 and 2009, the Organizations' contributions were $91,531 and $172,910, respectively.

NOTE 9 - INCOME TAXES

Components of income tax expense (benefit) included herein as expense of AIS, consist of the following:

	Years Ended December 31, 2010	Years Ended December 31, 2009
Current		
Federal	$ 41,392	$ (13,386)
State	9,444	2,292
	$ 50,836	$ (11,094)

The current tax benefit for federal income tax is based upon the refundable amount due from net operating loss carry-backs. There are no federal net operating loss carry forwards.

The carryforward of state net operating losses total $67,424 and will expire in 2013 - $27,866 and 2014 - $39,558. The deferred tax benefits resulting from these total $6,400, and management has provided for a valuation allowance equal to $6,400. The entire state income tax benefit of $5,900 has been used in 2010.

The Organization has recognized no interest and penalties in its consolidated statements of financial position and consolidated statements of activities and change in net assets.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

a. *Concentrations of Credit Risk - Cash*

The Organization maintains cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, the Organization has bank deposits in excess of amounts insured by the FDIC.

b. *Risks and Uncertainties*

AIER has investments in a combination of mutual funds, corporate stocks, government and corporate bonds, and other fixed income securities. Marketable securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain marketable securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the net assets of AIER.

c. *Sponsorship Agreement*

During November 2008, AIER signed a non-binding Memorandum of Understanding whereby AIER agreed to sponsor the Econ Journal Watch. AIER paid $75,000 during 2009, $25,000 during 2010, and may pay up to an additional $78,000 in future years.

d. *Employment Contracts*

AIER has entered into a long-term employment contract with an employee. The future payments required by the agreement are $202,259 for the year ending December 31, 2011.

e. *Remainderman Dispute*

AIER is involved in a dispute with another party that may result in AIER being designated trustee and remainderman on two additional charitable remainder unitrusts. AIER has not recognized an asset related to this dispute as the outcome, timing, and amount are uncertain at December 31, 2010.

NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization determines the fair value of financial instruments based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels of inputs that may be used to measure fair value:

Level 1 Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than quoted market prices and can include active markets and markets not considered to be active.

Level 3 Unobservable inputs that are supported by little or no market activity.

Following is a description of the valuation methodologies used for assets measured at fair value.

Corporate Bonds: Valued at third-party evaluated appraised prices that maximize observable quantitative and qualitative inputs currently available on comparable securities with similar features (type of issuer, credit rating, coupon, maturity, etc.) and apply yield level that reflects comparable credit and liquidity risks.

Equity Securities and U.S. Government Obligations: Valued at the closing price reported on the active market on which the individual security is traded.

A summary of assets and liabilities measured at fair value on a recurring basis is as follows:

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Fixed income securities				
U.S. government bonds	$ 2,075,311	$ -	$ -	$ 2,075,311
Equity securities				
Real estate investment trusts	575,848	-	-	575,848
U.S. companies	4,866,525	-	-	4,866,525
Non-U.S. companies	210,012	-	-	210,012
Gold related stocks	716,051	-	-	716,051
Global funds	97,179	-	-	97,179
Investments held under split-interest agreements				
Cash	2,124,138	-	-	2,124,138
Fixed income securities				.
Corporate bonds	-	9,310,024	-	9,310,024
U.S. government bonds	24,373,095	-	-	24,373,095
Equity securities				
Real estate investment trusts	16,325,361			16,325,361
U.S. companies	59,980,159			59,980,159
Non-U.S. companies	7,760,265	-	-	7,760,265
Gold related stocks	12,298,227	-	-	12,298,227
Global funds	9,000,238			9,000,238
Other	192,064	-	-	192,064
	$ 140,594,473	$ 9,310,024	$ -	$ 149,904,497
Liabilities				
Liabilities under split-interest agreements	$ -	$ 82,104,945	$ -	$ 82,104,945

NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

	December 31, 2009			
	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Equity securities	$ 3,108,184	$ -	$ -	$ 3,108,184
Fixed income securities	3,841,730	-	-	3,841,730
Investments held under split-interest agreements				
Cash and cash equivalents	4,446,395	-	-	4,446,395
Equity securities	91,945,389	-	-	91,945,389
Fixed income securities	31,394,284	-	-	31,394,284
Accrued interest	150,846	-	-	150,846
	$ 134,886,828	$ -	$ -	$ 134,886,828
Liabilities				
Liabilities under split-interest agreements	$ -	$ 70,092,935	$ -	$ 70,092,935

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH
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SUPPLEMENTAL INFORMATION - CONSOLIDATING STATEMENT OF FINANCIAL POSITION

	December 31, 2010								
ASSETS	American Institute for Economic Research	American Investment Services, Inc.	RLI Stock Fund I	RLI Stock Fund II	Charitable Remainder Unitrusts	Subtotal		Eliminating Entries	Total
CURRENT ASSETS									
Cash and cash equivalents	$ 1,475,389	$ 272,269	$ -	$ -	$ -	$ 1,747,658		$ -	$ 1,747,658
Investments	8,233,251	307,675	-	-	-	8,540,926		-	8,540,926
Investment in subsidiary	583,024	-	-	-	-	583,024	(2)	(583,024)	-
Accounts receivable	5,013	376,042	-	-	-	381,055		-	381,055
Dividend receivable	65,000	-	-	-	-	65,000		(65,000)	-
Inventory	99,551	5,418	-	-	-	104,969		-	104,969
Prepaid expenses	21,568	28,932	-	-	-	50,500		-	50,500
Due from related party	5,511	-	-	-	-	5,511	(1)	(5,511)	-
Total current assets	10,488,307	990,336	-	-	-	11,478,643		(653,535)	10,825,108
PROPERTY AND EQUIPMENT, net	3,180,947	1,468	-	-	-	3,182,415		-	3,182,415
INVESTMENTS HELD UNDER SPLIT-INTEREST AGREEMENTS	-	-	104,153,227	22,013,780	15,196,564	141,363,571		-	141,363,571
TOTAL ASSETS	**$ 13,669,254**	**$ 991,804**	**$ 104,153,227**	**$ 22,013,780**	**$ 15,196,564**	**$ 156,024,629**		**$ (653,535)**	**$ 155,371,094**

LIABILITIES AND NET ASSETS	American Institute for Economic Research	American Investment Services, Inc.	RLI Stock Fund I	RLI Stock Fund II	Charitable Remainder Unitrusts	Subtotal		Eliminating Entries	Total
	December 31, 2010								
CURRENT LIABILITIES									
Accounts payable	$ 82,931	$ 48,655	$ -	$ -	$ -	$ 131,586		$ -	$ 131,586
Investment advisory fee payable	-	-	70,963	14,992	10,365	96,320		-	96,320
Distributions payable	-	-	755,981	160,008	207,194	1,123,183		-	1,123,183
Line-of-credit	-	-	-	-	-	-		-	-
Accrued dividends	-	65,000	-	-	-	65,000	(2)	(65,000)	-
Accrued salaries and paid leave	111,678	150,028	-	-	-	261,706		-	261,706
Accrued and withheld payroll taxes	-	-	-	-	-	-		-	-
Accrued income tax	-	49,642	-	-	-	49,642		-	49,642
Unearned subscription income	228,469	14,014	-	-	-	242,483		-	242,483
Due to related party	-	5,511	-	-	-	5,511	(1)	(5,511)	-
Total current liabilities	423,078	332,850	826,944	175,000	217,559	1,975,431		(70,511)	1,904,920
LONG-TERM LIABILITIES									
Liabilities under split-interest agreements	-	-	58,156,781	15,760,326	8,187,838	82,104,945		-	82,104,945
Unearned subscription income	69,755	75,930	-	-	-	145,685		-	145,685
	69,755	75,930	58,156,781	15,760,326	8,187,838	82,250,630		-	82,250,630
COMMITMENTS AND CONTINGENCIES									
NET ASSETS									
Undesignated	6,482,640	-	-	-	-	6,482,640		583,024	7,065,664
Board designated	2,929,810	-	-	-	-	2,929,810		-	2,929,810
Investment in property and equipment	3,180,947	-	-	-	-	3,180,947		-	3,180,947
Subsidiary	583,024	-	-	-	-	583,024		(583,024)	-
Stockholder's equity	-	583,024	-	-	-	583,024	(2)	(583,024)	-
Assets held under split-interest agreements	-	-	45,169,502	6,078,454	6,791,167	58,039,123		-	58,039,123
	13,176,421	583,024	45,169,502	6,078,454	6,791,167	71,798,568		(583,024)	71,215,544
TOTAL LIABILITIES AND NET ASSETS	**$ 13,669,254**	**$ 991,804**	**$ 104,153,227**	**$ 22,013,780**	**$ 15,196,564**	**$ 156,024,629**		**$ (653,535)**	**$ 155,371,094**

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**AMERICAN INSTITUTE FOR ECONOMIC RESEARCH
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**SUPPLEMENTAL INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS AND STOCKHOLDER'S EQUITY**

	Year Ended December 31, 2010								
	American Institute for Economic Research	**American Investment Services, Inc.**	**RLI Stock Fund I**	**RLI Stock Fund II**	**Charitable Remainder Unitrusts**	**Subtotal**		**Eliminating Entries**	**Total**
REVENUE, GAINS, AND OTHER SUPPORT									
Operating revenue									
Subscription revenues	$ 466,110	$ 127,647	$ -	$ -	$ -	$ 593,757		$ -	$ 593,757
Sales of publications	308,857	-	-	-	-	308,857		-	308,857
Client services, revenue of subsidiary	-	1,409,051	-	-	-	1,409,051		-	1,409,051
Other revenues	51,543	-	-	-	-	51,543		-	51,543
Total operating revenue	826,510	1,536,698	-	-	-	2,363,208		-	2,363,208
Bequests	351,620	-	-	-	-	351,620		-	351,620
Contributions	95,828	-	-	10,996	120,771	227,595		-	227,595
Rental income	120,000	-	-	-	-	120,000	(3)	(120,000)	-
Net income of subsidiary	107,690	-	-	-	-	107,690	(2)	(107,690)	-
Interest and dividends	250,061	3,011	3,165,419	678,144	270,769	4,367,404	(5)	(4,114,332)	253,072
Realized gains on investment transactions, net	444,900	-	716,882	342,769	122,199	1,626,750	(5)	(1,181,850)	444,900
Unrealized gains on investments	505,456	-	10,544,762	2,057,261	1,900,816	15,008,295	(5)	(14,502,839)	505,456
Change in value of split-interest agreements	-	-	(9,182,810)	(2,264,080)	(565,120)	(12,012,010)	(5)	15,460,372	3,448,362
Net assets released from restrictions	2,187,833	-	(1,024,097)	(744,184)	(419,552)	-		-	-
Total revenue, gains, and other support	4,889,898	1,539,709	4,220,156	80,906	1,429,883	12,160,552		(4,566,339)	7,594,213
EXPENSES AND LOSSES									
Research and publication	3,076,550	-	-	-	-	3,076,550	(4)	28,104	3,104,654
Fellowship program	316,479	-	-	-	-	316,479		-	316,479
Conferences	90,199	-	-	-	-	90,199		-	90,199
Investment management	-	1,432,018	-	-	-	1,432,018	(3)(4)	(151,200)	1,280,818
Trust fund fees	-	-	272,870	60,651	55,462	388,983	(5)	(388,983)	-
Fundraising	76,961	-	-	-	-	76,961		-	76,961
Distributions	-	-	2,586,748	552,484	810,434	3,949,666	(5)	(3,949,666)	-
Management and general	416,296	-	-	-	-	416,296	(4)	3,097	419,393
Total expenses and losses	3,976,485	1,432,018	2,859,618	613,135	865,896	9,747,152		(4,458,648)	5,288,504
CHANGE IN NET ASSETS	**913,413**	**107,691**	**1,360,538**	**(532,229)**	**563,987**	**2,413,400**		**(107,691)**	**2,305,709**
NET ASSETS AND STOCKHOLDER'S EQUITY, beginning of year	**12,263,008**	**539,737**	**43,808,964**	**6,610,683**	**6,227,180**	**69,449,572**	(2)	**(539,737)**	**68,909,835**
Less dividends	-	(65,000)	-	-	-	(65,000)	(2)	65,000	-
Plus unrealized gain on investments	-	596	-	-	-	596	(2)	(596)	-
NET ASSETS AND STOCKHOLDER'S EQUITY, end of year	**$ 13,176,421**	**$ 583,024**	**$ 45,169,502**	**$ 6,078,454**	**$ 6,791,167**	**$ 71,798,568**		**$ (583,024)**	**$ 71,215,544**

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AMERICAN INSTITUTE FOR ECONOMIC RESEARCH
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SUPPLEMENTAL INFORMATION - CONSOLIDATING STATEMENT OF CASH FLOWS

	Year Ended December 31, 2010							
	American Institute for Economic Research	American Investment Services, Inc.	RLI Stock Fund	RLI Stock Fund II	Charitable Remainder Unitrusts	Subtotal	Eliminations	Totals
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES								
Change in net assets	$ 913,413	$ 107,690	$ 1,360,538	$ (532,229)	$ 563,987	$ 2,413,399	$ (107,690)	$ 2,305,709
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities								
Depreciation	208,707	5,340	-	-	-	214,047	-	214,047
Reinvested earnings	(9,250)	-	-	-	-	(9,250)	-	(9,250)
Realized (gains) on investments transactions	(444,900)	-	-	-	-	(444,900)	-	(444,900)
Unrealized gains on investments	(505,456)	-	-	-	-	(505,456)	-	(505,456)
Net (income) from subsidiary	(107,690)	-	-	-	-	(107,690)	107,690	-
(Increase) decrease in								
Accounts receivable	1,413	(26,596)	-	-	-	(25,183)	-	(25,183)
Inventory	(4,232)	2,652	-	-	-	(1,580)	-	(1,580)
Prepaid expenses	8,080	2,047	-	-	-	10,127	-	10,127
Due from related party	2,437	(2,437)	-	-	-	-	-	-
Increase (decrease) in								
Accounts payable	(56,229)	31,291	-	-	-	(24,938)	-	(24,938)
Accrued salaries and paid leave	34,512	55,887	-	-	-	90,399	-	90,399
Accrued and withheld payroll and income tax	(1,300)	49,642	-	-	-	48,342	-	48,342
Unearned subscription income	(103,610)	(14,980)	-	-	-	(118,590)	-	(118,590)
	(64,105)	**210,536**	**1,360,538**	**(532,229)**	**563,987**	**1,538,727**	**-**	**1,538,727**
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES								
Purchase of investments	(6,060,331)	-	-	-	-	(6,060,331)	-	(6,060,331)
Proceeds from investment transactions	5,428,927	-	-	-	-	5,428,927	-	5,428,927
Proceeds from the sale of fixed assets	-	(1,958)	-	-	-	(1,958)	-	(1,958)
Purchase of property and equipment	(7,530)	-	-	-	-	(7,530)	-	(7,530)
(Increase) in investments held under split-interest agreements	-	-	(10,547,460)	(1,728,070)	(1,151,127)	(13,426,657)	-	(13,426,657)
(Decrease) increase in investment advisory fee payable	-	-	7,274	1,189	707	9,170	-	9,170
Increase (decrease) in distributions payable	-	-	(3,162)	(4,970)	21,313	13,181	-	13,181
Decrease in liability under split-interest agreements	-	-	9,182,810	2,264,080	565,120	12,012,010	-	12,012,010
	(638,934)	**(1,958)**	**(1,360,538)**	**532,229**	**(563,987)**	**(2,033,188)**	**-**	**(2,033,188)**
Net increase (decrease) in cash and cash equivalents	**(703,039)**	**208,578**	**-**	**-**	**-**	**(494,461)**	**-**	**(494,461)**
CASH AND CASH EQUIVALENTS, beginning of year	2,178,428	63,691	-	-	-	2,242,119	**-**	2,242,119
CASH AND CASH EQUIVALENTS, end of year	**$ 1,475,389**	**$ 272,269**	**$ -**	**$ -**	**$ -**	**$ 1,747,658**	**$ -**	**$ 1,747,658**

See Independent Auditor's Report.

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH
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SUPPLEMENTAL INFORMATION - ELIMINATING ENTRIES

	Year Ended December 31, 2010	
	Debit	Credit
(1)		
Due from related party (AIS)		$ 5,511
Due to related party (AIER)	$ 5,511	
To eliminate amounts due between the Organizations		
(2)		
Net income of subsidiary (AIER)	107,690	
Stockholder's equity, beginning of year (AIS)	539,738	
Dividends (AIS)		65,000
Unrealized gain on investments (AIS)	596	
Investment in subsidiary (AIER)		583,024
Undesignated (AIER)		583,024
Subsidiary (AIER)	583,024	
To eliminate investment in subsidiary and the related stockholder's equity		
(3)		
Rental income (AIER)	120,000	
Expense of subsidiary (AIS)		120,000
To eliminate intercompany rental charges related to shared cost agreement		
(4)		
Production and mailing costs (AIER)	28,104	
Management services (AIER)	3,096	
Expense of subsidiary (AIS)		31,200
To eliminate intercompany production, mailing, and associated management services related to shared cost agreement		
(5)		
Investment income (RLI, RLI II, and CRU)	4,114,332	
Realized gains (losses) on investment transactions (RLI, RLI II, and CRU)	1,181,850	
Unrealized gains on investments (RLI, RLI II, and CRU)	14,502,839	
Change in value of split-interest agreements (RLI, RLI II, and CRU)		
Agreements (RLI, RLI II, and CRU)		15,460,372
Distributions to beneficiaries (RLI, RLI II, and CRU)		3,949,666
Management and general (RLI, RLI II, and CRU)		388,983
To conform reporting of activities of the split-interest agreements with GAAP		

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AMERICAN INSTITUTE FOR ECONOMIC RESEARCH

SUPPLEMENTAL INFORMATION - STATEMENTS OF FUNCTIONAL EXPENSES

	Years Ended December 31,											
	Research and Publications		Fellowship Program		Conferences		Fundraising		Management and General		Totals	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Salaries and related expenses												
Salaries and wages	$ 1,173,530	$ 1,152,595	$ 140,396	$ 162,373	$ 44,340	$ 39,300	$ 49,848	$ 47,603	$ 155,192	$ 166,119	$ 1,563,306	$ 1,567,990
Payroll taxes and insurance	103,982	105,825	11,882	14,129	3,642	3,293	3,803	3,853	14,021	15,568	137,330	142,668
Employee benefits and staff training	123,741	171,178	15,085	25,959	3,937	5,943	4,573	6,999	18,535	24,299	165,871	234,378
Retirement and unemployment	19,016	-	5,147	-	290	-	290	-	83,448	96,949	108,191	96,949
Subtotal salaries	1,420,269	1,429,598	172,510	202,461	52,209	48,536	58,514	58,455	271,196	302,935	1,974,698	2,041,985
Program expenses	-	-	94,871	192,668	3,088	5,779	-	-	-	-	97,959	198,447
Office, printing, and mailing												
Equipment - maintenance, rental, supplies	29,841	52,868	7,374	12,809	719	1,015	719	1,015	2,157	10,473	40,810	78,180
Paper, envelopes, and outsourced fulfillment	433,895	807,817	-	-	-	-	4,290	12,757	-	-	438,185	820,574
Postage	376,853	865,685	907	4,743	7	7	2,181	6,222	7,005	6,946	386,953	883,603
Name rentals, advertising	220,310	260,222	-	-	-	-	-	-	-	-	220,310	260,222
Book inventories	(4,231)	107,251	-	-	-	-	-	-	-	-	(4,231)	107,251
Subtotal office, printing and mailing	1,056,668	2,093,843	8,281	17,552	726	1,022	7,190	19,994	9,162	17,419	1,082,027	2,149,830
Occupancy	150,611	158,608	14,200	23,874	3,506	3,596	3,711	4,398	12,337	20,211	184,365	210,687
All other expenses												
Auditing expenses	-	-	-	-	-	-	-	-	20,515	28,200	20,515	28,200
Consulting fees	125,702	230,810	-	-	-	-	1,620	12,250	22,014	5,662	149,336	248,722
Legal	304	578	-	-	-	-	-	-	5,781	10,984	6,085	11,562
Miscellaneous	23,129	19,015	1,817	5,968	13,558	25,097	587	974	3,761	3,075	42,852	54,129
Periodicals and subscriptions	20,519	18,228	1,140	1,013	-	-	-	-	1,140	1,013	22,799	20,254
Public relations	78,450	114,433	-	-	-	-	-	-	-	-	78,450	114,433
Refunds	242	302	-	-	-	-	-	-	-	-	242	302
Travel, dining and transportation	10,215	6,010	457	602	12,272	5,088	499	1,179	449	619	23,892	13,498
Telecommunications	27,650	14,449	2,332	1,876	666	375	666	375	1,999	1,689	33,313	18,764
Trustees' expenses	-	-	-	-	-	-	-	-	51,245	71,590	51,245	71,590
Subtotal all other	286,211	403,825	5,746	9,459	26,496	30,560	3,372	14,778	106,904	122,832	428,729	581,454
Depreciation	162,791	170,769	20,871	22,178	4,174	4,436	4,174	4,436	16,697	19,960	208,707	221,779
Total	**$ 3,076,550**	**$ 4,256,643**	**$ 316,479**	**$ 468,192**	**$ 90,199**	**$ 93,929**	**$ 76,961**	**$ 102,061**	**$ 416,296**	**$ 483,357**	**$ 3,976,485**	**$ 5,404,182**