

Confederation of Democratic Simulators



Financial Reports For the Month of October 2011

1. Balance Sheet
2. Statement of US Dollar Account
3. Income/Expense Report for Month and Year-To-Date
4. Statement of Program Expenses and Report Notes
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Confederation of Democratic Simulators
Balance Sheet As of 10/31/2011 (Revalue Rate: 250.000000)

| | | |
|-------------------------------------|-------------|------------------|
| ASSETS | | |
| Current Assets | | |
| Treasurer Avatar L\$ Account | 859,030 | |
| Treasurer Avatar US\$ Account | 323,352 | |
| Reserves Avatar L\$ Account | 2,485,255 | |
| Total Current Assets | | 3,667,637 |
| Fixed Assets | | |
| Building | | 90,535 |
| Software | | 56,394 |
| Land Purchases | 1,336,530 | |
| Land Sales | (3,069,178) | |
| Realized Gain on Land Sales | 1,732,648 | |
| Total Land Asset | | - |
| Total Fixed Assets | | 146,929 |
| Other Assets | | |
| Total Other Assets | | - |
| TOTAL ASSETS | | <u>3,814,566</u> |
| LIABILITIES | | |
| TOTAL LIABILITIES | | <u>-</u> |
| EQUITY | | |
| Retained Earnings | | |
| Retained Earnings - Previous Year | | 3,543,574 |
| Current Earnings | | 316,541 |
| Unrealized Gain/Loss on Revaluation | | (45,549) |
| Total Retained Earnings | | <u>3,814,566</u> |
| TOTAL EQUITY | | <u>3,814,566</u> |

Statement

Issue Date 2011-11-06

Statement # S-rudeen-edo-2011-10

Statement Period 1 Oct 2011 - 31 Oct 2011

secondlife.com
Linden Research, Inc.
Dept. 34108
PO Box 39000
San Francisco, CA 94111
USA
VAT Registration ID: EU826011179

Bill To:

NEW YORK, NY 10003
United States

Summary Amount (USD)

Starting Balance (52.31)
Homestead Island Recurring Fee (Pre 2009/07/01) 95.00
Recurring Island Fees 980.00
Payment for LindeX Transaction (2315.97)
Ending Balance (1293.28)

Date Detail Type Amount (USD) Balance (USD)

| | | | |
|---------------------|--------------------------------|---------|------------------|
| 2011-10-01 04:22:44 | Starting Balance Start (52.31) | | |
| 2011-10-01 04:22:44 | Payment for LindeX Transaction | Payment | (7.72) (60.03) |
| 2011-10-01 04:22:51 | Payment for LindeX Transaction | Payment | (7.72) (67.75) |
| 2011-10-01 04:23:09 | Payment for LindeX Transaction | Payment | (4.63) (72.38) |
| 2011-10-01 04:23:28 | Payment for LindeX Transaction | Payment | (35.95) (108.33) |
| 2011-10-01 04:23:51 | Payment for LindeX Transaction | Payment | (13.51) (121.84) |
| 2011-10-01 04:24:01 | Payment for LindeX Transaction | Payment | (7.72) (129.56) |
| 2011-10-01 04:24:01 | Payment for LindeX Transaction | Payment | (57.90) (187.46) |
| 2011-10-01 04:24:10 | Payment for LindeX Transaction | Payment | (7.72) (195.18) |
| 2011-10-01 04:24:44 | Payment for LindeX Transaction | Payment | (7.72) (202.90) |
| 2011-10-01 04:24:48 | Payment for LindeX Transaction | Payment | (7.72) (210.62) |
| 2011-10-01 04:24:55 | Payment for LindeX Transaction | Payment | (57.90) (268.52) |
| 2011-10-01 04:24:59 | Payment for LindeX Transaction | Payment | (19.30) (287.82) |
| 2011-10-01 04:25:08 | Payment for LindeX Transaction | Payment | (7.72) (295.54) |
| 2011-10-01 04:25:08 | Payment for LindeX Transaction | Payment | (7.72) (303.26) |
| 2011-10-01 04:25:20 | Payment for LindeX Transaction | Payment | (9.36) (312.62) |
| 2011-10-01 04:25:47 | Payment for LindeX Transaction | Payment | (9.65) (322.27) |
| 2011-10-01 04:25:48 | Payment for LindeX Transaction | Payment | (19.98) (342.25) |
| 2011-10-01 04:26:03 | Payment for LindeX Transaction | Payment | (38.60) (380.85) |
| 2011-10-01 04:26:07 | Payment for LindeX Transaction | Payment | (47.28) (428.13) |
| 2011-10-01 04:26:35 | Payment for LindeX Transaction | Payment | (9.07) (437.20) |
| 2011-10-01 04:26:42 | Payment for LindeX Transaction | Payment | (7.72) (444.92) |
| 2011-10-01 04:26:54 | Payment for LindeX Transaction | Payment | (2.12) (447.04) |
| 2011-10-01 04:26:55 | Payment for LindeX Transaction | Payment | (23.16) (470.20) |
| 2011-10-01 04:27:07 | Payment for LindeX Transaction | Payment | (57.90) (528.10) |
| 2011-10-01 04:27:25 | Payment for LindeX Transaction | Payment | (22.35) (550.45) |
| 2011-10-01 04:27:28 | Payment for LindeX Transaction | Payment | (48.25) (598.70) |
| 2011-10-01 04:27:35 | Payment for LindeX Transaction | Payment | (19.30) (618.00) |
| 2011-10-01 04:28:05 | Payment for LindeX Transaction | Payment | (7.72) (625.72) |
| 2011-10-01 04:28:09 | Payment for LindeX Transaction | Payment | (19.30) (645.02) |
| 2011-10-01 04:28:14 | Payment for LindeX Transaction | Payment | (7.72) (652.74) |
| 2011-10-01 04:28:25 | Payment for LindeX Transaction | Payment | (96.50) (749.24) |
| 2011-10-01 04:28:31 | Payment for LindeX Transaction | Payment | (15.44) (764.68) |
| 2011-10-01 04:28:36 | Payment for LindeX Transaction | Payment | (23.16) (787.84) |
| 2011-10-01 04:28:38 | Payment for LindeX Transaction | Payment | (7.72) (795.56) |

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Date Detail Type Amount (USD) Balance (USD)

| | | | | |
|---------------------|--------------------------------|---------|---------|-----------|
| 2011-10-01 04:28:42 | Payment for LindeX Transaction | Payment | (19.30) | (814.86) |
| 2011-10-01 04:28:43 | Payment for LindeX Transaction | Payment | (19.30) | (834.16) |
| 2011-10-01 04:28:48 | Payment for LindeX Transaction | Payment | (38.60) | (872.76) |
| 2011-10-01 04:28:54 | Payment for LindeX Transaction | Payment | (27.02) | (899.78) |
| 2011-10-01 04:29:19 | Payment for LindeX Transaction | Payment | (23.16) | (922.94) |
| 2011-10-01 04:29:31 | Payment for LindeX Transaction | Payment | (19.30) | (942.24) |
| 2011-10-01 04:29:37 | Payment for LindeX Transaction | Payment | (19.30) | (961.54) |
| 2011-10-01 04:29:39 | Payment for LindeX Transaction | Payment | (46.32) | (1007.86) |
| 2011-10-01 04:29:51 | Payment for LindeX Transaction | Payment | (7.72) | (1015.58) |
| 2011-10-01 04:30:00 | Payment for LindeX Transaction | Payment | (7.72) | (1023.30) |
| 2011-10-01 04:30:12 | Payment for LindeX Transaction | Payment | (38.60) | (1061.90) |
| 2011-10-01 04:30:18 | Payment for LindeX Transaction | Payment | (19.30) | (1081.20) |
| 2011-10-01 04:30:29 | Payment for LindeX Transaction | Payment | (9.46) | (1090.66) |
| 2011-10-01 04:30:58 | Payment for LindeX Transaction | Payment | (23.16) | (1113.82) |
| 2011-10-01 04:30:59 | Payment for LindeX Transaction | Payment | (77.20) | (1191.02) |
| 2011-10-01 04:31:06 | Payment for LindeX Transaction | Payment | (57.90) | (1248.92) |
| 2011-10-01 04:31:07 | Payment for LindeX Transaction | Payment | (30.88) | (1279.80) |
| 2011-10-01 04:31:17 | Payment for LindeX Transaction | Payment | (3.86) | (1283.66) |
| 2011-10-01 04:31:41 | Payment for LindeX Transaction | Payment | (17.37) | (1301.03) |
| 2011-10-01 04:31:59 | Payment for LindeX Transaction | Payment | (7.72) | (1308.75) |
| 2011-10-01 04:32:13 | Payment for LindeX Transaction | Payment | (38.60) | (1347.35) |
| 2011-10-01 04:32:14 | Payment for LindeX Transaction | Payment | (9.65) | (1357.00) |
| 2011-10-01 04:32:18 | Payment for LindeX Transaction | Payment | (38.60) | (1395.60) |
| 2011-10-01 04:32:23 | Payment for LindeX Transaction | Payment | (7.72) | (1403.32) |
| 2011-10-01 04:32:23 | Payment for LindeX Transaction | Payment | (3.86) | (1407.18) |
| 2011-10-01 04:32:26 | Payment for LindeX Transaction | Payment | (27.02) | (1434.20) |
| 2011-10-01 04:32:32 | Payment for LindeX Transaction | Payment | (15.44) | (1449.64) |
| 2011-10-01 04:32:48 | Payment for LindeX Transaction | Payment | (2.12) | (1451.76) |
| 2011-10-01 04:32:51 | Payment for LindeX Transaction | Payment | (9.65) | (1461.41) |
| 2011-10-01 04:32:53 | Payment for LindeX Transaction | Payment | (61.76) | (1523.17) |
| 2011-10-01 04:33:09 | Payment for LindeX Transaction | Payment | (38.60) | (1561.77) |
| 2011-10-01 04:33:27 | Payment for LindeX Transaction | Payment | (7.72) | (1569.49) |
| 2011-10-01 04:33:40 | Payment for LindeX Transaction | Payment | (7.72) | (1577.21) |
| 2011-10-01 04:33:57 | Payment for LindeX Transaction | Payment | (19.30) | (1596.51) |
| 2011-10-01 04:34:08 | Payment for LindeX Transaction | Payment | (34.74) | (1631.25) |
| 2011-10-01 04:34:09 | Payment for LindeX Transaction | Payment | (7.72) | (1638.97) |
| 2011-10-01 04:34:10 | Payment for LindeX Transaction | Payment | (7.72) | (1646.69) |
| 2011-10-01 04:34:19 | Payment for LindeX Transaction | Payment | (9.65) | (1656.34) |
| 2011-10-01 04:34:29 | Payment for LindeX Transaction | Payment | (5.79) | (1662.13) |
| 2011-10-01 04:34:36 | Payment for LindeX Transaction | Payment | (18.33) | (1680.46) |
| 2011-10-01 04:34:38 | Payment for LindeX Transaction | Payment | (77.20) | (1757.66) |
| 2011-10-01 04:34:40 | Payment for LindeX Transaction | Payment | (11.58) | (1769.24) |
| 2011-10-01 04:34:43 | Payment for LindeX Transaction | Payment | (8.75) | (1777.99) |
| 2011-10-01 04:35:02 | Payment for LindeX Transaction | Payment | (11.58) | (1789.57) |
| 2011-10-01 04:35:30 | Payment for LindeX Transaction | Payment | (4.63) | (1794.20) |
| 2011-10-01 04:35:37 | Payment for LindeX Transaction | Payment | (7.72) | (1801.92) |
| 2011-10-01 04:35:49 | Payment for LindeX Transaction | Payment | (19.30) | (1821.22) |
| 2011-10-01 04:35:49 | Payment for LindeX Transaction | Payment | (19.30) | (1840.52) |
| 2011-10-01 04:35:54 | Payment for LindeX Transaction | Payment | (54.04) | (1894.56) |
| 2011-10-01 04:36:00 | Payment for LindeX Transaction | Payment | (7.72) | (1902.28) |
| 2011-10-01 04:36:00 | Payment for LindeX Transaction | Payment | (19.30) | (1921.58) |
| 2011-10-01 04:36:06 | Payment for LindeX Transaction | Payment | (27.02) | (1948.60) |
| 2011-10-01 04:36:17 | Payment for LindeX Transaction | Payment | (19.30) | (1967.90) |
| 2011-10-01 04:36:28 | Payment for LindeX Transaction | Payment | (9.65) | (1977.55) |
| 2011-10-01 04:36:35 | Payment for LindeX Transaction | Payment | (57.90) | (2035.45) |
| 2011-10-01 04:36:45 | Payment for LindeX Transaction | Payment | (9.34) | (2044.79) |
| 2011-10-01 04:37:05 | Payment for LindeX Transaction | Payment | (9.26) | (2054.05) |
| 2011-10-01 04:37:35 | Payment for LindeX Transaction | Payment | (57.90) | (2111.95) |
| 2011-10-01 04:37:37 | Payment for LindeX Transaction | Payment | (2.12) | (2114.07) |
| 2011-10-01 04:37:43 | Payment for LindeX Transaction | Payment | (38.60) | (2152.67) |
| 2011-10-01 04:37:58 | Payment for LindeX Transaction | Payment | (19.30) | (2171.97) |
| 2011-10-01 04:38:02 | Payment for LindeX Transaction | Payment | (9.65) | (2181.62) |

| Date | Detail | Type | Amount (USD) | Balance (USD) |
|---------------------|---|---------|--------------|---------------|
| 2011-10-01 04:38:02 | Payment for LindeX Transaction | Payment | (38.60) | (2220.22) |
| 2011-10-01 04:38:08 | Payment for LindeX Transaction | Payment | (2.32) | (2222.54) |
| 2011-10-01 04:38:13 | Payment for LindeX Transaction | Payment | (38.60) | (2261.14) |
| 2011-10-01 04:38:32 | Payment for LindeX Transaction | Payment | (9.65) | (2270.79) |
| 2011-10-01 04:38:34 | Payment for LindeX Transaction | Payment | (4.82) | (2275.61) |
| 2011-10-01 04:38:39 | Payment for LindeX Transaction | Payment | (7.72) | (2283.33) |
| 2011-10-01 04:38:43 | Payment for LindeX Transaction | Payment | (19.30) | (2302.63) |
| 2011-10-01 04:38:46 | Payment for LindeX Transaction | Payment | (4.82) | (2307.45) |
| 2011-10-01 04:38:47 | Payment for LindeX Transaction | Payment | (7.72) | (2315.17) |
| 2011-10-01 04:39:21 | Payment for LindeX Transaction | Payment | (7.72) | (2322.89) |
| 2011-10-01 04:39:46 | Payment for LindeX Transaction | Payment | (7.72) | (2330.61) |
| 2011-10-01 04:40:04 | Payment for LindeX Transaction | Payment | (2.32) | (2332.93) |
| 2011-10-01 04:40:07 | Payment for LindeX Transaction | Payment | (7.72) | (2340.65) |
| 2011-10-01 04:40:22 | Payment for LindeX Transaction | Payment | (2.12) | (2342.77) |
| 2011-10-01 04:40:27 | Payment for LindeX Transaction | Payment | (7.72) | (2350.49) |
| 2011-10-01 04:40:32 | Payment for LindeX Transaction | Payment | (17.79) | (2368.28) |
| 2011-10-14 23:02:01 | Homestead Island Recurring Fee (Pre 2009/07/01) (Monastery): \$95.00 | | 95.00 | (2273.28) |
| 2011-10-17 22:27:22 | Recurring Island Fees (Colonia Nova): \$195.00 | | 195.00 | (2078.28) |
| 2011-10-22 01:22:32 | Recurring Island Fees (Neufreistadt): \$195.00 | | 195.00 | (1883.28) |
| 2011-10-22 01:23:34 | Recurring Island Fees (Alpine Meadow): \$295.00 | | 295.00 | (1588.28) |
| 2011-10-27 22:30:15 | Recurring Island Fees (Locus Amoenus): \$295.00 | | 295.00 | (1293.28) |
| 2011-10-27 22:30:15 | Ending Balance | End | | (1293.28) |

Confederation of Democratic Simulators
Comparative Income Statement - Year to Date Income and Expenses

10/01/2011 to 10/31/2011 01/01/2011 to 10/31/2011

| REVENUE | | |
|--|----------------|------------------|
| Land and Property Revenue | | |
| Land Tier Revenues Core | 282,762 | 3,217,372 |
| Land Sales Revenues | 62,702 | 204,523 |
| Total Property Revenues | 345,464 | 3,421,895 |
| Other Revenue | | |
| CDS Tip Jar Receipts | 301 | 4,396 |
| Miscellaneous Revenues | 200 | 1,650 |
| Total Other Revenue | 501 | 6,046 |
| TOTAL REVENUE | 345,965 | 3,427,941 |
| EXPENSE | | |
| Cost of Goods Sold | | |
| Total Cost of Goods Sold | - | - |
| General & Administrative Expenses | | |
| Linden Land Tier Payment Core | 268,750 | 2,702,917 |
| Events Expenses | 15,750 | 107,800 |
| Professional Fees | 13,900 | 141,280 |
| Web Hosting Fees | 2,820 | 28,200 |
| Recurring Software Charges | - | 500 |
| Currency Conversion Charges | 21,008 | 108,991 |
| Miscellaneous | 310 | 5,242 |
| Advertising/Marketing | 5,480 | 16,470 |
| Total General & Administrative Expenses | 328,018 | 3,111,400 |
| TOTAL EXPENSE | 328,018 | 3,111,400 |
| NET INCOME | 17,947 | 316,541 |

Confederation of Democratic Simulators Payment Requests

| Date | Description | Requested Amount | Requesting Official | Payment Made |
|-------------|--|------------------|---------------------|--------------|
| 3-Oct-2011 | Tor Karlsvalt reimbursement for Radio Riel sponsorship (October) | \$5,000.00 | Tor | 29-Oct-2011 |
| 3-Oct-2011 | Tor Karlsvalt reimbursement for Patty Poppy DJ - Oktoberfest Bumper Car Madness 09/30/11 | \$1,000.00 | Tor | 29-Oct-2011 |
| 3-Oct-2011 | Tor Karlsvalt reimbursement for Nardra Longfall - DJ for Ball -- 02/Oct/11 | \$1,000.00 | Tor | 29-Oct-2011 |
| 3-Oct-2011 | Tor Karlsvalt reimbursement for pmt to Rosie Gray for Order of Anzere medal (Ball presentation) | \$500.00 | Tor | 29-Oct-2011 |
| 3-Oct-2011 | Tor Karsvalt reimbursement for Noma Faulta Concert 10/01/11 | \$6,000.00 | Tor | 29-Oct-2011 |
| 3-Oct-2011 | Tor Karlsvalt reimbursement for Kyle Brandson Concert 09/29/11 | \$7,000.00 | Tor | 29-Oct-2011 |
| 3-Oct-2011 | Tor Karlsvalt reimbursement for pmt to Pip Torok for use of Old Bowl and AMUA lands. Oktoberfest | \$250.00 | Tor | 29-Oct-2011 |
| 28-Oct-2011 | Lilith Ivory monthly pay as caretaker | \$2,600.00 | Sudane | 29-Oct-2011 |
| 28-Oct-2011 | Anna Toussaint - PIO | \$2,600.00 | Sudane | 29-Oct-2011 |
| 28-Oct-2011 | Guillaume Mistwalker | \$1,000.00 | Sudane | 29-Oct-2011 |
| 28-Oct-2011 | Aliasi Stonebender monthly pay | \$2,500.00 | Sudane | 29-Oct-2011 |
| 28-Oct-2011 | Sudane Erato monthly pay | \$2,600.00 | Sudane | 29-Oct-2011 |
| 28-Oct-2011 | Trebor Warclife -- Commerce Coordinator/Asst. Treasurer | \$2,600.00 | Sudane | 29-Oct-2011 |
| 28-Oct-2011 | Mizou Vavoom web hosting fee (USD 10.00) | \$2,820.00 | Sudane | 29-Oct-2011 |

Balance Sheet Explanation

As promised this month will be the first month where I will include an explanatory letter along with the financial statements. This is being done so those who aren't familiar with financial statements can have a better understanding of the finances of the CDS. This month's letter will probably be longer than most because as the first one there is more to explain and we all know how much I enjoy writing, lol.

The first page in our financial statements is the Balance Sheet as of October 31st. Our "Current Assets" are the three separate accounts that hold our money. "Treasurer Avatar L\$ Account" is our working account. All transactions originate from this account.

The next account is "Treasurer Avatar US\$ Account" When the CDS pays Linden Labs their monthly fee it has to be done in US\$. So the first account TALA makes an exchange of Linden Dollars for US Dollars and the US Dollars are placed into this account. The last account is "Reserves Avatar L\$ Account" which is essentially our reserves.

The next section is "Fixed Assets." The fixed asset "Building" is the cost of buildings that the CDS has purchased or paid to be built in the past. This amount hasn't changed since I've been here. A good example for when this account will change is when we contract for the insula to be built. All the costs associated with this build such as advertising the contest, paying the builder to construct the build, an award for the winner of the contest are all costs that will go into this account. The account "Software" is software that the CDS has purchased. These purchases were made quite a few years ago but remain on the books as a fixed asset.

The next three accounts all have to do with the purchase and sale of land in the CDS. "Land Purchases" is the amount of money CDS has spent on acquiring and developing the 5 sims, not including builds. "Land Sales" is the account where we keep track of all sales of land that are owned by the CDS. This would include the sale of new land as we expand our sims along with the sale of land that the CDS reacquires from its citizens. The last account is "Realized Gain on Land Sales" which is the difference between the cost of land in CDS and the sale of the land by the CDS. These three amounts carry over to the next year because they reflect the purchase and sale of all CDS owned land past and present.

"Total Assets" are "Total Current Assets" plus "Total Fixed Assets."

The account "Liabilities" would contain any amount that we owe to someone. This account has been empty for many years. "Retained Earnings – Previous Year" is in actuality all the earnings in the history of the CDS going back to at least the time the books were kept. The amount of L\$3,543,574 is as of December 31st 2010. "Current Earnings" is the profit or loss for the CDS from January 1st 2011 until the date of the current balance sheet which for this one is October

31st, 2011. At the end of the year this amount will be transferred to “Retained Earnings – Previous Year” and “Current Earnings” will return to \$0 on January 1st 2012.

The next account “Unrealized Gain/Loss on Revaluation” is an old account that was used to keep track of the difference in the value of a Linden dollar from the time it was purchased to the time it was exchanged for US\$. This account is no longer necessary and will be rolled into the Retained Earnings – Previous Year. The reason it is no longer necessary is because now the Linden dollars are transferred from TALA to TAUSL and then the exchange for US\$ is made.

Notice how the “Total Equity” is the same amount as the “Total Assets.” This is a good indication that the balance sheet is correct because the standard rule of accounting is $\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$. Our owners equity is our total retained earnings and we have no liabilities.

Comparative Income Statement Explanation

The Comparative Income Statement consists of two columns of information. The first column is the income for the month being reported and the second column is the year-to-date income information. I'm going to go into great detail in some areas of the income statement.

“Land and Property Revenue” consists of income generated by the collecting of tier and the sale of government owned land. There are two main points in regards to tier and they are the monthly tier CDS pays to Linden Labs and the maximum amount of tier the CDS can collect from its citizens based on the amount of land designated for private ownership. All amounts shown are based on the current exchange rate of US\$1/L\$250.

| | | |
|--------------------------------|---------------|-------------|
| • Linden Land Tier Payment | US\$ 1,075.00 | L\$ 268,750 |
| • Potential Land Tier Revenues | US\$ 1,379.87 | L\$ 344,968 |

Keep in mind that the \$ 1,075 we pay LL doesn't include the 3 ½ percent transaction fees. We account for that further along the income statements. Our potential land tier revenues of \$1379.80 do include the 3 ½ percent transaction fees that we collect from the citizens.

For the month of October the amount of tier collected was L\$ 282,762 or US\$ 1,131. Land sales revenues experienced an impressive increase over previous months providing income to the CDS of L\$ 62,702 or US\$ 250.81. The “Other Revenue” consists of CDS tip jar's set out for events and miscellaneous revenues are a stipend base CDS receives. So the total revenue for the CDS for the month of October was L\$ 345,965 or US\$ 1,383.86.

Overall our “General & Administrative Expenses are self-explanatory but there are a few instances where I'll have to provide some additional details. “Linden Land Tier Payment Core” is what we pay Linden Labs monthly for our 5 sims not including the currency conversion charges. “Events Expenses” are the costs involved when the CDS hosts events. This amount is accounted for on the page following the income statement, the Official Request for Payment Worksheet.

Our expenses for events for the month of October in the amount of L\$ 15,750 was a carryover from the previous month's Oktoberfest festivities. Our “Professional Fees” are our token payments to civil service positions of Caretaker, PIO, Assistant PIO, Content Archivist (I think that's Aliasi's title), Treasurer, and Commerce Coordinator/Assistant Treasurer. These are also listed on the Payment Requests worksheet.

The account “Web Hosting Fees” is the amount paid to Mizou Vavoom for hosting our web portal. The account “Recurring Software Charges” is a one-time fee we paid a few months ago to

evaluate an accounting software program that we determined didn't fit our needs. This account will not be on the books at the beginning of next year.

The account "Currency Conversion Charges" is the 3 ½ percent transaction fee the CDS pays Linden Labs each month when they exchange Linden dollars for US dollars so we can pay the fees to LL. For the month of October our Treasurer converted an extra month's tier payment pursuant to the RA's approval of the "CDS Asset Management" system. If you look at previous month's financial statements you'll see that we normally keep under US\$ 100 in the "Treasurer Avatar US\$ Account" If you also compare the currency conversion charges are a lesser amount due to the fact only one month's worth of tier was being exchanged. October we exchanged L\$600,000 and the transaction fee was L\$21,008 or US\$ 84.03.

"Miscellaneous" expenses are ones such as group liability and upload charges. This month they were L\$310 or US\$ 1.24. "Advertising/Marketing" is just that, our advertising and marketing fees which are detailed on the payment request worksheet. Currently they are L\$5,000 to Radio Riel and L\$480 in parcel directory fees.

Our "Total Expenses" for October 2011 was L\$328,018 or US\$ 1,312.07. This gave us a net profit, the difference between what we spent and what we made, of L\$17,947 or US\$ 71.79. You can see how income and expenses for one month can be affected by the income and expenses for another month. An example for income would be accounts that are in arrears paying the money that they owe. If an account is a month in arrears and is paid up the next month it is going to show as income in the month it was paid. The same with our expenses as can be seen with Oktoberfest. All of October's events expenses were actually a September expense. Now where this corrects itself, at least to a certain extent, is at the end of the year when I "close" the books and start the new books for the next year. That's why our Treasurer does her best to make sure all bills are paid before the end of the year and all accounts are brought up to date. That way we have no income or expenses carried over from one year to the next. This enables us to show a true financial picture for the entire year.

If you've come this far in my discussion you've had to drink a lot of coffee or Red Bulls. Obviously further reports will be simpler because I won't have to explain everything in great detail like I have here. If you have any questions concerning the finances of the CDS please don't hesitate to ask me I am more than happy to share my experience. My email is twarcliffe@gmail.com