

Report of Independent Auditor

**THE DELAWARE ACADEMY OF MEDICINE, INC.**  
Newark, Delaware

Years Ended  
December 31, 2007 and 2006

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THE DELAWARE ACADEMY OF MEDICINE, INC.

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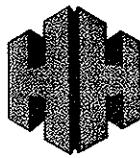
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**HAGGERTY & HAGGERTY, P.A.**

**CERTIFIED PUBLIC ACCOUNTANTS  
& MANAGEMENT CONSULTANTS**

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**Report of Independent Auditor**

Board of Directors  
**The Delaware Academy of Medicine, Inc.**  
Newark, Delaware

We have audited the accompanying statements of financial position of The Delaware Academy of Medicine, Inc. (a non-profit organization) as of December 31, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on the basic financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of The Delaware Academy of Medicine, Inc. as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits have been made primarily for the purpose of forming the opinion stated in the preceding paragraph. The additional information contained in this report is presented 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.

Certified Public Accountants

September 26, 2008  
Wilmington, Delaware

**THE DELAWARE ACADEMY OF MEDICINE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 60,215	\$ 250,437
Prepayments	6,614	...
Receivables:		
Accounts	83,743	26,322
Other	50,564	22,832
Investments at fair value	1,175,987	1,318,515
Property and equipment, net	448,142	410,039
Restricted assets:		
Cash and equivalents	6,716	11,047
Investments at fair value	6,650,851	6,775,544
Equipment	15,000	15,000
Receivables:		
Other	2,500	...
Student loans receivable, net of allowance of \$65,250 for 2007 & \$65,250 for 2006	<u>442,466</u>	<u>436,919</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 8,942,798</u></b>	<b><u>\$ 9,266,655</u></b>
<b>LIABILITIES</b>		
Accounts payable	\$ 17,347	\$ 27,029
Custodial funds payable	16,381	51,810
Payable-other	42,082	22,832
Refundable advances	<u>41,646</u>	<u>...</u>
<b>Total liabilities</b>	<b><u>117,456</u></b>	<b><u>101,671</u></b>
<b>NET ASSETS</b>		
Unrestricted	1,749,891	1,949,306
Temporarily restricted	<u>7,075,451</u>	<u>7,215,678</u>
<b>Total net assets</b>	<b><u>8,825,342</u></b>	<b><u>9,164,984</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 8,942,798</u></b>	<b><u>\$ 9,266,655</u></b>

The accompanying notes are an integral part of the basic financial statements

THE DELAWARE ACADEMY OF MEDICINE, INC.  
 STATEMENTS OF ACTIVITIES  
 Years Ended December 31, 2007 and 2006

	2007		2006	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
	Totals		Totals	
<b>REVENUE, GAINS AND OTHER SUPPORT</b>				
Contributions:				
Annual	\$ 22,503	\$ ...	\$ 22,503	\$ 8,242
Special	35,250	...	35,250	63,196
Gain (loss) on disposition of equipment	...	...	...	(4,946)
Gain (loss) on sale of investments	73,345	334,820	408,165	263,930
Unrealized investment gain (loss)	(65,226)	(334,303)	(399,529)	411,384
Interest:				
Student loans	...	20,759	20,759	22,813
Checking and savings	1,424	...	1,424	30,154
Investment income	35,327	253,596	288,923	55
Library grant	10,000	...	10,000	246,334
Library services	543,062	...	543,062	27,500
Membership dues	47,206	...	47,206	374,726
Miscellaneous	7,007	...	7,007	66,943
Special events	700	...	700	...
<b>Total revenue and gains</b>	710,598	274,872	985,470	14,790
Net assets released from restriction	415,099	(415,099)	...	770,387
<b>Total revenue, gains and other support</b>	1,125,697	(140,227)	985,470	(608,166)
			1,362,900	162,221
			1,362,900	1,525,121
<b>EXPENSES AND LOSSES</b>				
Program services:				
Library	1,032,510	...	1,032,510	885,978
<b>Total program services</b>	1,032,510	...	1,032,510	885,978
Supporting services:				
Management and general	247,065	...	247,065	252,858
Special events expense	4,100	...	4,100	9,265
Fundraising costs	41,437	...	41,437	40,996
<b>Total expenses and losses</b>	1,325,112	...	1,325,112	1,189,097
<b>CHANGES IN NET ASSETS</b>				
Beginning of year	(199,415)	(140,227)	(339,642)	173,803
End of year	1,949,306	7,215,678	9,164,984	7,053,457
<b>NET ASSETS</b>				
Beginning of year	\$ 1,749,891	\$ 7,075,451	\$ 8,825,342	\$ 1,949,306
End of year	1,949,306	7,215,678	9,164,984	7,053,457
				8,828,960
				\$ 9,164,984

The accompanying notes are an integral part of the basic financial statements

THE DELAWARE ACADEMY OF MEDICINE, INC.  
 STATEMENTS OF FUNCTIONAL EXPENSES  
 Years Ended December 31, 2007 and 2006

	2007			2006		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
	Library	Management & General	Expenses	Library	Management & General	Expenses
<b>EXPENSES AND LOSSES</b>						
Salaries	\$ 476,947	\$ 89,574	\$ 596,501	\$ 470,653	\$ 88,248	\$ 588,316
Employee benefits	28,878	5,415	36,098	33,418	6,266	41,773
Payroll taxes	39,940	7,489	49,925	33,103	6,207	41,379
<b>Total personnel expenses</b>	<u>545,765</u>	<u>102,478</u>	<u>682,524</u>	<u>537,174</u>	<u>100,721</u>	<u>671,468</u>
Advertising	23,225	...	23,225	...	...	107,617
Administration-investments	...	102,121	102,121	...	107,617	44,776
Archivist expenses	37,824	...	37,824	44,776	...	16,954
Banquet and meetings	...	...	...	11,190	5,764	459
Bad debts	...	...	...	...	...	32,771
Relocation	16,556	...	16,556	32,771	...	12,050
Database	8,915	...	8,915	12,050	...	21,304
Technology	26,531	...	26,531	21,304	...	11,034
Calendar expenses	6,314	...	6,314	11,034	...	25,444
Computer expenses	18,927	1,051	21,029	20,355	3,817	8,339
Insurance	5,927	1,111	7,409	6,671	1,251	1,113
Library:						
Advertising	4,362	...	4,362	1,113	...	5,748
Books	8,097	...	8,097	5,748	...	...
Delmira Program:						
Licenses	123,084	...	123,084	...	...	2,638
Administrative	10,653	...	10,653	...	...	5,860
Dues	1,458	...	1,458	...	...	4,354
Journals	2,929	...	2,929	4,354	...	24,260
Inter-library loan/medline svcs	87,305	...	87,305	24,260	...	3,576
Kent County-Sussex-New Castle	1,143	...	1,143	3,576	...	3,218
Postage	568	...	568	3,218	...	5,759
Supplies and computer	14,513	...	14,513	5,759	...	6,650
TEL-MED	4,550	...	4,550	6,650	...	1,272
Travel and education	2,823	...	2,823	2,998	...	938
Miscellaneous	8,811	1,652	11,014	2,998	1,272	28,941
Printing and copying	2,772	2,217	5,543	619	263	19,935
Professional fees	25,215	15,203	40,418	14,471	14,470	2,408
Program expenses	8,957	...	8,957	1,589	...	...
Office supplies	2,196	1,756	4,391	77,024	674	4,814
Postage	2,225	2,476	4,951	14,471	...	9,265
Rent	12,038	9,630	24,076	19,935	...	6,662
Special events	...	4,100	4,100	...	...	...
Telephone	5,002	4,002	10,005	4,397	1,865	...
<b>Total other expenses</b>	<u>472,920</u>	<u>141,219</u>	<u>624,864</u>	<u>347,935</u>	<u>151,894</u>	<u>516,470</u>
<b>TOTAL EXPENSES AND LOSSES</b>	1,018,685	243,697	1,307,388	885,109	252,615	1,187,938
<b>BEFORE DEPRECIATION EXPENSE</b>						
Depreciation expense	13,825	3,368	17,724	869	243	1,159
<b>TOTAL EXPENSES AND LOSSES</b>	<u>\$1,032,510</u>	<u>\$ 247,065</u>	<u>\$1,325,112</u>	<u>\$ 885,978</u>	<u>\$ 252,858</u>	<u>\$1,189,097</u>

The accompanying notes are an integral part of the basic financial statements

**THE DELAWARE ACADEMY OF MEDICINE, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from programs	\$ 500,769	\$ 389,516
Cash received from contributors	67,753	123,938
Cash received from membership	31,303	52,536
Cash paid to employees and suppliers	(1,323,684)	(1,171,979)
Interest and dividends received	<u>290,347</u>	<u>276,543</u>
<b>Net cash provided (used) by operating activities</b>	<u>(433,512)</u>	<u>(329,446)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of property and equipment	(55,827)	(411,198)
Custodial funds (paid)/received	(35,429)	51,810
Restricted assets:		
Repayment of student loans	70,212	60,718
Student loan awarded	(55,000)	(74,000)
(Purchases) proceeds of investments, net	206,893	119,167
(Increase) decrease in cash	4,331	(5,535)
Grants received	...	15,000
Other receipts	...	6,494
Equipment acquisition	...	(15,000)
Refundable advances	41,646	...
Other receivables	(2,500)	...
(Purchases) proceeds of investments, net	<u>68,964</u>	<u>487,862</u>
<b>Net cash provided (used) by investing activities</b>	<u>243,290</u>	<u>235,318</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; EQUIVALENTS</b>	(190,222)	(94,128)
<b>CASH AND EQUIVALENTS</b>		
Beginning of year	<u>250,437</u>	<u>344,565</u>
End of year	<u>\$ 60,215</u>	<u>\$ 250,437</u>

Continued . . .

The accompanying notes are an integral part of the basic financial statements

**THE DELAWARE ACADEMY OF MEDICINE, INC.**  
**STATEMENTS OF CASH FLOWS (continued)**  
**Years Ended December 31, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ (339,642)	\$ 336,024
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	17,724	1,159
Interest earned from student loans	(20,759)	(22,813)
Loss (gain) on sale of investments	(408,165)	(263,930)
Loss on disposition of investments	...	4,946
Unrealized investment loss (gain)	399,529	(411,384)
Changes in assets and liabilities:		
Receivables:		
Accounts	(57,421)	(14,407)
Grants	...	25,000
Other	(8,482)	...
Prepayments	(6,614)	12,215
Accounts payable	(9,682)	3,744
Deferred revenue	...	...
Total adjustments	<u>(93,870)</u>	<u>(665,470)</u>
Net cash provided by operating activities	<u>\$ (433,512)</u>	<u>\$ (329,446)</u>

**SCHEDULE OF NONCASH INVESTING ACTIVITIES**

Disposition of equipment:		
Basis	\$ ...	\$ 348,915
Accumulated depreciation	...	343,969
Loss on disposition	<u>...</u>	<u>4,946</u>
Proceeds from disposition of equipment	<u>\$ ...</u>	<u>\$ ...</u>

The accompanying notes are an integral part of the basic financial statements



**NOTE 1 - NATURE OF THE ORGANIZATION**

The Academy's mission is to promote professional and lay health education in the fields of medicine and dentistry, maintain a medical library and archives, provide a meeting place for medical and dental professions including related organizations, and provide financial support for medical and dental students.

The Academy provides the following services and programs:

Library Services - The Academy's Lewis B. Flinn Library provides a full range of services to members including: reference, computer searching, interlibrary loan, faxing, photocopying, and discounts on books and journal binding. The Academy's Circuit Riding Medical Librarian Program furnishes Library services on a contractual basis to area health care institutions.

As a public service, the Academy's Consumer Health Library provides the community with access to current health care information in order to promote health education. In addition, Health Reference Center, a computerized information database, is used by individuals to conduct their own literature/subject searches from its resources which include books, health newsletters, and medical journals.

The Library's History Committee works on the collection and preservation of memorabilia associated with the history of medicine and dentistry in Delaware. The Committee actively solicits historical donations, identifies artifacts, and catalogues the historical collection.

TEL-MED, an automated telephone system, is comprised of over 700 tape recorded messages and averages 10,000 calls per month. It is a popular source of information on medical, dental and other health related subjects and is available statewide as a public service.

Education - The Academy operates a Student Financial Aid Program for Delaware residents pursuing careers in medicine, dentistry or allied health. In addition, several annual lectureships are cosponsored by the Academy.

Calendar - The Academy produces and distributes a monthly calendar entitled *Medical-Dental Meetings in Delaware* to over 1,850 individuals. The calendar is the only comprehensive listing of continuing education conferences for physicians and dentists in the state.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed are described below to enhance the usefulness of the basic financial statements to the reader.

Basis of Accounting

The Academy's policy is to prepare the financial statements on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*. Under SFAS No. 117, the Academy is required to report 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.

Cash and Equivalents

For purposes of the statement of cash flows, the Academy considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Allowances are provided for amounts estimated to be uncollectible.

Receivables-Accounts and Other

Anticipated bad debts are considered to be negligible by management and accordingly, no provision for bad debts has been included in the basic financial statements.

Student Loans Receivables

Receivables for student loans made are recorded as loans are made and allowances are provided for amounts estimated to be uncollectible. Based on management estimates, five percent (5%) of the student loans receivable is estimated to be uncollectible.

Investments

Investments are carried at fair market value in the financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and Equipment

Property and equipment are carried at cost and consist of land, building, furniture and equipment. Donated property and equipment are recorded at the approximate fair value at the date of donation. The Academy follows the practice of capitalizing all expenses for property and equipment in excess of \$1,000.

Depreciation is computed using primarily the straight-line method over the estimated useful lives of the property and equipment ranging from 5 to 40 years.

Deferred Lifetime Membership Dues

Lifetime membership dues received but not yet earned are reported as deferred lifetime membership dues.

Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that are used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Academy reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Academy reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Academy pays for most services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Academy with specific assistance programs. No amounts have been reflected in the financial statements for these donated services since the volunteers' time does not meet the criteria for recognition under SFAS No. 116.

**THE DELAWARE ACADEMY OF MEDICINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Tax Status

The Academy is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Academy's tax exempt purpose is subject to taxation as unrelated business income. In addition, the Academy qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation.

Advertising

The Academy uses advertising to promote its programs among the public it serves. The production costs of advertising are expensed the first time the advertising takes place. Total advertising costs were \$23,225 and \$0 for the years ended December 31, 2007 and 2006, respectively.

**NOTE 3 - INVESTMENTS**

At December 31, the investments are presented in the financial statements at fair value, and consist of the following:

Description	2007		2006	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 699,584	\$ 699,584	\$ 186,854	\$ 186,854
Corporate securities	3,573,491	4,179,966	3,889,444	4,710,032
Hedged/alternative investments	3,314,325	2,947,288	2,617,604	3,197,173
Total investments	<u>\$ 7,587,400</u>	<u>\$ 7,826,838</u>	<u>\$ 6,693,902</u>	<u>\$ 8,094,059</u>

The schedule summarizes investment return and its classification in the statement of activities for the years ended December 31:

Description	2007	2006
Dividends and interest on investments	\$ 288,923	\$ 246,334
Realized gain on investments	408,165	263,930
Unrealized gain (loss) on investments	(399,529)	411,384
Less: Investment management fees	<u>102,121</u>	<u>107,617</u>
Total investment return	<u>\$ 399,680</u>	<u>\$ 814,031</u>
Investments, unrestricted	\$1,175,987	\$1,318,515
Investments, restricted	<u>6,650,851</u>	<u>6,775,544</u>
Total investments	<u>\$7,826,838</u>	<u>\$8,094,059</u>

**THE DELAWARE ACADEMY OF MEDICINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - INVESTMENTS (continued)**

The investments are managed by independent investment advisors in compliance with established board investment policies.

**NOTE 4 - PROPERTY AND EQUIPMENT**

The following is a summary of changes in property and equipment:

Description	Year Ended December 31, 2007			
	Beginning Balances	Additions	Deletions	Ending Balances
Building	\$ 380,194	\$ ...	\$ ...	\$ 380,194
Furniture and equipment	31,004	55,827	...	86,831
Total book value	411,198	55,827	...	467,025
Accumulated depreciation	(1,159)	(17,724)	...	(18,883)
Net book value	\$ 410,039	\$ 38,103	\$ ...	\$ 448,142

Description	Year Ended December 31, 2006			
	Beginning Balances	Additions	Deletions	Ending Balances
Building	\$ ...	\$ 380,194	\$ ...	\$ 380,194
Furniture and equipment	348,915	31,004	348,915	31,004
Total book value	348,915	411,198	348,915	411,198
Accumulated depreciation	(343,969)	(1,159)	(343,969)	(1,159)
Net book value	\$ 4,946	\$ 410,039	\$ 4,946	\$ 410,039

**NOTE 5 - CONCENTRATION OF CREDIT RISK**

At December 31, 2007 and 2006, the Academy's cash and deposits were held by the following:

Financial Institutions and Brokerage Firms

The Academy maintains cash balances with several local financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At December 31, 2007 and 2006, deposits totaling \$0 and \$105,465, respectfully, were in excess of FDIC insurance limits.

**NOTE 6 - LEASE ARRANGEMENTS AS LESSEE**

The Academy entered into a lease on July 11, 2006 for an indefinite period. At December 31, 2007, minimum lease payments required under the operating leasing arrangement was a monthly payment of \$2,307.

**THE DELAWARE ACADEMY OF MEDICINE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 7 - DEFERRED COMPENSATION PLAN**

The Academy offers a defined contribution plan created in accordance with Internal Revenue Code Section 403(b). The plan permits employees to defer a portion of their salary until termination, retirement, death, or unforeseeable emergency. Employer makes base contributions for employees who have attained the age of 21 and completed one year of service based upon seven percent of monthly compensation and a matching contribution of one hundred percent of the first three percent of employee contribution during the plan year. Total expenses charged to operations for the years ended December 31, 2007 and 2006 were \$12,373 and \$14,475, respectively.

The Academy also offers an employer sponsored non-qualified deferred compensation plan. The plan covers all full time employees who have attained the age of 21 and completed one year of service. Participation in the plan is optional.

**NOTE 8 - RESTRICTIONS ON NET ASSETS**

As of December 31, 2007 and 2006, temporarily restricted net assets are available for the following purposes:

Description	2007	2006
Assistance to students in the study of medicine and other health fields	\$6,244,358	\$6,387,238
Provide operating funds for the Lewis B. Flinn Library	153,088	152,558
Provide lectures and seminars	90,998	90,674
Provide capital additions and repairs	589,532	587,566
Other purposes	<u>(2,525)</u>	<u>(2,358)</u>
Total temporarily restricted net assets	<u>\$7,075,451</u>	<u>\$7,215,678</u>

**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

In the normal course of business, there are outstanding various commitments and contingencies in addition to the normal purchases of goods and services. The Academy does not anticipate losses as a result of these commitments and contingencies.

**NOTE 10 - RECLASSIFICATIONS**

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

## **Additional Information**

THE DELAWARE ACADEMY OF MEDICINE, INC.  
 STATEMENT OF FINANCIAL POSITION-ALL FUNDS  
 December 31, 2007 With Comparative Totals for 2006

	2007			Totals	
	Current Funds Unrestricted	Restricted	Capital Campaign	2007	2006
<b>ASSETS</b>					
Cash and equivalents	\$ 60,215	\$ 6,716	\$ ...	\$ 66,931	\$ 261,484
Prepaid	6,614	...	...	6,614	...
Receivables:					
Accounts	83,743	...	...	83,743	26,322
Other	8,482	2,500	...	10,982	...
Student loans receivables, net	442,466	6,875	6,356	442,466	436,919
Due from other funds	42,380	6,082,675	568,176	55,611	62,553
Investments, at market	1,175,987	...	15,000	7,826,838	8,094,059
Property and equipment, net	448,142	...	...	463,142	425,039
<b>TOTAL ASSETS</b>	<b>\$ 1,825,563</b>	<b>\$ 6,541,232</b>	<b>\$ 589,532</b>	<b>\$ 8,956,327</b>	<b>\$ 9,306,376</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 17,347	\$ 55,313	\$ ...	\$ 17,347	\$ 27,029
Due to other funds	298	...	...	55,611	62,553
Custodial funds payable	16,381	...	...	16,381	51,810
Refundable advances	41,646	...	...	41,646	...
<b>Total liabilities</b>	<b>75,672</b>	<b>55,313</b>	<b>...</b>	<b>130,985</b>	<b>141,392</b>
<b>FUND BALANCES</b>					
Unrestricted:	122	...	...	122	122
Designated for educational purposes	1,301,627	...	...	1,301,627	1,539,145
Undesignated					
Restricted:					
Special purposes	...	(2,525)	...	(2,525)	(2,358)
Annual education lectureship	...	90,998	...	90,998	90,674
Scholarships and loans	...	663,521	...	663,521	674,433
Lewis B. Flinn Library	...	153,088	...	153,088	152,558
Preston Fund	...	5,569,370	...	5,569,370	5,701,354
Maroney Fund	...	11,467	...	11,467	11,451
Capital campaign	...	...	589,532	589,532	587,566
Plant Fund	448,142	...	...	448,142	410,039
<b>Total fund balances</b>	<b>1,749,891</b>	<b>6,485,919</b>	<b>589,532</b>	<b>8,825,342</b>	<b>9,164,984</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,825,563</b>	<b>\$ 6,541,232</b>	<b>\$ 589,532</b>	<b>\$ 8,956,327</b>	<b>\$ 9,306,376</b>

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THE DELAWARE ACADEMY OF MEDICINE, INC.  
 STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES-ALL FUNDS  
 Year Ended December 31, 2007 With Comparative Totals for 2006

	2007		Totals	
	Current Funds Unrestricted	Restricted	2007	2006
<b>REVENUE</b>				
Contributions:				
Annual	\$ 22,503	\$ ...	\$ 22,503	\$ 8,242
Special	35,250	...	35,250	63,196
Gain (loss) on disposition of equipment	73,345	...	...	(4,946)
Gain (loss) on sale of investments	(65,226)	305,090	408,165	263,930
Unrealized investment gain (loss)		(304,054)	(399,529)	411,384
Interest:				
Student loans	...	20,759	20,759	28,390
Checking and savings	1,424	...	1,424	30,209
Investment income	35,327	...	...	240,757
Library grant	10,000	244,093	288,923	27,500
Library services	543,062	...	10,000	374,726
Membership dues	47,206	...	543,062	66,943
Miscellaneous	7,007	...	47,206	...
Special events	700	...	7,007	...
<b>Total revenue</b>	<u>710,598</u>	<u>265,888</u>	<u>985,470</u>	<u>1,525,121</u>
<b>EXPENSES</b>				
<b>EXCESS (DEFICIT) REVENUE OVER EXPENSES BEFORE CAPITAL ADDITIONS</b>	<u>1,239,957</u>	<u>78,137</u>	<u>1,325,112</u>	<u>1,189,097</u>
<b>CAPITAL ADDITIONS</b>				
Acquisition of property and equipment	(529,359)	187,751	(339,642)	336,024
<b>EXCESS (DEFICIT) REVENUE OVER EXPENSES AFTER CAPITAL ADDITIONS</b>	<u>(529,359)</u>	<u>187,751</u>	<u>(339,642)</u>	<u>336,024</u>
<b>FUND BALANCES</b>				
Beginning of year	1,949,306	6,628,112	9,164,984	8,828,960
Operating transfers	<u>329,944</u>	<u>(329,944)</u>	...	...
End of year	<u>\$ 1,749,891</u>	<u>\$ 6,485,919</u>	<u>\$ 8,825,342</u>	<u>\$ 9,164,984</u>

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THE DELAWARE ACADEMY OF MEDICINE, INC.  
 SCHEDULE OF EXPENSES-ALL FUNDS  
 Year Ended December 31, 2007 With Comparative Totals for 2006

	2007		Totals	
	Current Funds Unrestricted Restricted	Capital Campaign	2007	2006
<b>EXPENSES</b>	\$	\$	\$	\$
Salaries	596,501	...	596,501	588,316
Employee benefits	36,098	...	36,098	41,773
Payroll taxes, etc.	49,925	...	49,925	41,379
<b>Total salaries &amp; related expenses</b>	<b>682,524</b>	<b>...</b>	<b>682,524</b>	<b>671,468</b>
Advertising	23,225	78,137	23,225	107,617
Administration-investments	16,966	...	102,121	44,776
Archivist expenses	37,824	...	37,824	16,954
Banquet and meetings	...	...	...	459
Bad debts	16,556	...	16,556	32,771
Relocation	8,915	...	8,915	12,050
Database	26,531	...	26,531	21,304
Technology	17,724	...	17,724	1,159
Depreciation	6,314	...	6,314	11,034
Calendar expenses	21,029	...	21,029	25,444
Computer expenses	7,409	...	7,409	8,339
Insurance	4,362	...	4,362	1,113
Library:	8,097	...	8,097	5,748
Advertising	...	...	...	...
Books	...	...	...	...
Delmira Program:	123,084	...	123,084	...
Licenses	10,653	...	10,653	...
Administrative	1,458	...	1,458	...
Dues	...	...	...	...
Journals	2,929	...	2,929	...
Inter-library loan/medline services	87,305	...	87,305	...
Kent County-Sussex-New Castle	1,143	...	1,143	...
Postage	568	...	568	...
Supplies and computer	14,513	...	14,513	...
TEL-MED	4,550	...	4,550	...
Travel and education	2,823	...	2,823	...
Miscellaneous	11,014	...	11,014	...
Miscellaneous	5,543	...	5,543	...
Printing and copying	40,418	...	40,418	...
Professional fees	8,957	...	8,957	...
Program expenses	4,391	...	4,391	...
Office supplies	4,951	...	4,951	...
Postage	24,076	...	24,076	...
Rent	4,100	...	4,100	...
Special events	10,005	...	10,005	...
Telephone	...	...	...	...
<b>TOTAL EXPENSES</b>	<b>\$ 1,239,957</b>	<b>\$ 78,137</b>	<b>\$ 1,325,112</b>	<b>\$ 1,189,097</b>

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THE DELAWARE ACADEMY OF MEDICINE, INC.  
 COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES-CURRENT RESTRICTED FUND  
 Year Ended December 31, 2007 With Comparative Totals for 2006

	2007						Totals	
	Special Purposes	Annual Education Lectureship	Scholarships and Loans	Lewis B. Flinn Library	Preston Fund	Maroney Fund	2007	2006
<b>REVENUE</b>	\$	\$	\$	\$	\$	\$	\$	\$
Contributions	...	4,887	12,530	8,010	279,423	240	305,090	139,083
Gain on sale of investments	...	(4,972)	(14,745)	(8,150)	(275,943)	(244)	(304,054)	325,176
Unrealized investment gain (loss)	...	...	...	...	...	...	...	...
Interest:	...	...	13,029	...	7,730	...	20,759	28,390
Student loans	...	...	...	...	...	...	...	55
Checking and savings	...	...	...	...	...	...	...	...
Investment income	69	1,562	16,874	2,560	222,951	77	244,093	223,667
<b>Total revenue</b>	69	1,477	27,688	2,420	234,161	73	265,888	716,371
<b>EXPENSES</b>								
Administrative costs	235	1,153	4,601	1,890	70,201	57	78,137	77,060
for loans and investments	...	...	...	...	...	...	...	...
Bad debts expense	...	...	...	...	...	...	...	...
Miscellaneous	...	...	...	...	...	...	...	...
Program expenses	...	...	...	...	...	...	...	...
<b>Total expenses</b>	235	1,153	4,601	1,890	70,201	57	78,137	77,060
<b>EXCESS (DEFICIT)</b>	(166)	324	23,087	530	163,960	16	187,751	639,311
<b>REVENUE OVER EXPENSES</b>								
<b>FUND BALANCES</b>								
Beginning of year	(2,359)	90,674	674,434	152,558	5,701,354	11,451	6,628,112	6,249,263
Operating transfers	...	...	(34,000)	...	(295,944)	...	(329,944)	(260,462)
End of year	(2,525)	90,998	663,521	153,088	5,569,370	11,467	6,485,919	6,628,112

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