

Report of Independent Auditor

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

Years Ended  
December 31, 2006 and 2005

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THE DELAWARE ACADEMY OF MEDICINE, INC.

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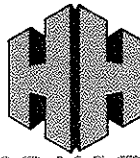
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**HAGGERTY & HAGGERTY, P.A.**

**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, 2006 and 2005, 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, 2006 and 2005, 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.

*Haggerty Haggerty*

Certified Public Accountants

October 31, 2007  
Wilmington, Delaware

**THE DELAWARE ACADEMY OF MEDICINE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 250,437	\$ 344,565
Prepayments	...	12,215
Receivables:		
Accounts	26,322	11,915
Grants	...	25,000
Other	22,832	22,833
Investments at fair value	1,318,515	1,641,542
Property and equipment, net	410,039	4,946
Restricted assets:		
Cash and equivalents	11,047	5,512
Investments at fair value	6,775,544	6,384,232
Equipment	15,000	...
Receivables:		
Grant	...	15,000
Other	...	6,494
Student loans receivable, net of allowance of \$65,250 for 2006 & \$65,250 for 2005	<u>436,919</u>	<u>400,824</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 9,266,655</u></b>	<b><u>\$ 8,875,078</u></b>
 <b>LIABILITIES</b>		
Accounts payable	\$ 27,029	\$ 23,285
Custodial funds payable	51,810	...
Payable-other	<u>22,832</u>	<u>22,833</u>
<b>Total liabilities</b>	<b><u>101,671</u></b>	<b><u>46,118</u></b>
 <b>NET ASSETS</b>		
Unrestricted	1,949,306	1,775,503
Temporarily restricted	<u>7,215,678</u>	<u>7,053,457</u>
<b>Total net assets</b>	<b><u>9,164,984</u></b>	<b><u>8,828,960</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 9,266,655</u></b>	<b><u>\$ 8,875,078</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, 2006 and 2005

	2006		2005	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
	Totals		Totals	
<b>REVENUE, GAINS AND OTHER SUPPORT</b>				
Contributions:				
Annual	\$ 8,242	\$ ...	\$ 8,242	\$ 2,855
Special	63,196	...	63,196	...
Gain (loss) on disposition of equipment	(4,946)	...	(4,946)	...
Gain (loss) on sale of investments	97,075	166,855	263,930	6,979
Unrealized investment gain (loss)	67,760	343,624	411,384	101,872
Interest:				
Student loans	...	22,813	22,813	...
Checking and savings	30,154	55	30,209	3,071
Investment income	9,294	237,040	246,334	56,557
Library grant	27,500	...	27,500	25,875
Library services	374,726	...	374,726	367,613
Membership dues	66,943	...	66,943	75,160
Special events	14,790	...	14,790	30,100
<b>Total revenue and gains</b>	<b>754,734</b>	<b>770,387</b>	<b>1,525,121</b>	<b>738,065</b>
Net assets released from restriction	608,166	(608,166)	...	(316,508)
<b>Total revenue, gains and other support</b>	<b>1,362,900</b>	<b>162,221</b>	<b>1,525,121</b>	<b>421,557</b>
<b>EXPENSES AND LOSSES</b>				
Library services	920,720	...	920,720	945,949
Education	40,465	...	40,465	34,839
Meetings	34,930	...	34,930	28,062
Calendar	7,613	...	7,613	9,410
Building occupancy	6,775	...	6,775	6,573
Poster	3,421	...	3,421	4,243
Lectures	150	...	150	150
Management and general	145,823	...	145,823	139,831
Special events expenses	29,200	...	29,200	25,711
<b>Total expenses and losses</b>	<b>1,189,097</b>	<b>...</b>	<b>1,189,097</b>	<b>1,194,768</b>
<b>CHANGES IN NET ASSETS</b>				
Beginning of year	173,803	162,221	336,024	213,379
End of year	1,775,503	7,053,457	8,828,960	8,615,581
	\$ 1,949,306	\$ 7,215,678	\$ 9,164,984	\$ 7,053,457
				\$ 8,828,960

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, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from programs	\$ 389,516	\$ 391,219
Cash received from contributors	123,938	275,024
Cash received from membership	52,536	93,294
Cash paid to employees and suppliers	(1,171,979)	(1,174,410)
Interest and dividends received	<u>276,543</u>	<u>187,430</u>
<b>Net cash provided (used) by operating activities</b>	<u>(329,446)</u>	<u>(227,443)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of property and equipment	(411,198)	...
Custodial funds received	51,810	...
Restricted assets:		
Repayment of student loans	60,718	84,469
Student loan awarded	(74,000)	(64,000)
(Purchases) proceeds of investments, net	119,167	121,188
(Increase) decrease in cash	(5,535)	44,470
Grants received	15,000	(15,000)
Other receipts	6,494	(6,494)
Equipment acquisition	(15,000)	...
(Purchases) proceeds of investments, net	<u>487,862</u>	<u>159,797</u>
<b>Net cash provided (used) by investing activities</b>	<u>235,318</u>	<u>324,430</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; EQUIVALENTS</b>	(94,128)	96,987
<b>CASH AND EQUIVALENTS</b>		
Beginning of year	<u>344,565</u>	<u>247,578</u>
End of year	<u>\$ 250,437</u>	<u>\$ 344,565</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, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ 336,024	\$ 213,379
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,159	3,728
Interest earned from student loans	(22,813)	(19,435)
Loss (gain) on sale of investments	(263,930)	(310,219)
Loss on disposition of investments	4,946	...
Unrealized investment loss (gain)	(411,384)	(99,460)
Changes in assets and liabilities:		
Receivables:		
Accounts	(14,407)	24,734
Grants	25,000	(25,000)
Prepayments	12,215	8,577
Accounts payable	3,744	8,053
Deferred lifetime membership dues	...	(6,800)
Deferred revenue	...	(25,000)
Total adjustments	<u>(665,470)</u>	<u>(440,822)</u>
Net cash provided by operating activities	<u>\$ (329,446)</u>	<u>\$ (227,443)</u>

**SCHEDULE OF NONCASH INVESTING ACTIVITIES**

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

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

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

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**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 under Section 509(a)(2).

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.

**NOTE 3 - INVESTMENTS**

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

<u>Description</u>	<u>2006</u>		<u>2005</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 186,854	\$ 186,854	\$ 1,113,995	\$ 1,113,995
Corporate securities	3,889,444	4,710,032	2,835,843	3,519,291
Hedged/alternative investments	<u>2,617,604</u>	<u>3,197,173</u>	<u>3,089,739</u>	<u>3,392,488</u>
Total investments	<u>\$6,693,902</u>	<u>\$ 8,094,059</u>	<u>\$ 7,039,577</u>	<u>\$ 8,025,774</u>

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

<u>Description</u>	<u>2006</u>	<u>2005</u>
Dividends and interest on investments	\$ 246,334	\$ 184,316
Realized gain on investments	263,930	310,219
Unrealized gain (loss) on investments	411,384	99,460
Less: Investment management fees	<u>107,617</u>	<u>85,183</u>
Total investment return	<u>\$ 814,031</u>	<u>\$ 508,812</u>
Investments, unrestricted	\$1,318,515	\$1,641,542
Investments, restricted	<u>6,775,544</u>	<u>6,384,232</u>
Total investments	<u>\$8,094,059</u>	<u>\$8,025,774</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, 2006			
	Beginning Balances	Additions	Deletions	Ending Balances
Land	\$ ...	\$ ...	\$ ...	\$ ...
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

Description	Year Ended December 31, 2005			
	Beginning Balances	Additions	Deletions	Ending Balances
Land	\$ ...	\$ ...	\$ ...	\$ ...
Building	...	...	...	...
Furniture and equipment	348,915	...	...	348,915
Total book value	348,915	...	...	348,915
Accumulated depreciation	(340,241)	(3,728)	...	(343,969)
Net book value	\$ 8,674	\$ (3,728)	\$ ...	\$ 4,946

**NOTE 5 - CONCENTRATION OF CREDIT RISK**

At December 31, 2006 and 2005, 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 and brokerage firms. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 or the Securities Investors Protection Corporation (SIPC). At December 31, 2006 and 2005, deposits totaling \$344,671 and \$1,431,526, 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, 2006, 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, 2006 and 2005 were \$14,475 and \$14,801, 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, 2006 and 2005, temporarily restricted net assets are available for the following purposes:

<u>Description</u>	<u>2006</u>	<u>2005</u>
Assistance to students in the study of medicine and other health fields	\$6,387,238	\$6,028,060
Provide operating funds for the Lewis B. Flinn Library	152,558	139,734
Provide lectures and seminars	90,674	82,852
Provide capital additions and repairs	587,566	539,966
Other purposes	<u>(2,358)</u>	<u>262,845</u>
Total temporarily restricted net assets	<u>\$7,215,678</u>	<u>\$7,053,457</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.

## **Additional Information**

**THE DELAWARE ACADEMY OF MEDICINE, INC.**  
**STATEMENT OF FINANCIAL POSITION-ALL FUNDS**  
 December 31, 2006 With Comparative Totals for 2005

	2006		Totals	
	Current Funds Unrestricted Restricted	Capital Campaign	2006	2005
<b>ASSETS</b>				
Cash and equivalents	\$ 250,437	\$ 11,047	\$ 261,484	\$ 350,077
Prepaid	...	...	...	12,215
Receivables:				
Accounts	26,322	...	26,322	11,915
Grants	...	...	...	40,000
Other	...	...	...	6,494
Student loans receivables, net	...	436,919	436,919	400,824
Due from other funds	23,130	33,067	62,553	29,189
Investments, at market	1,318,515	6,209,334	8,094,059	8,025,774
Property and equipment, net	410,039	15,000	425,039	4,946
<b>TOTAL ASSETS</b>	<b>\$ 2,028,443</b>	<b>\$ 6,690,367</b>	<b>\$ 9,306,376</b>	<b>\$ 8,881,434</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 27,029	\$ ...	\$ 27,029	\$ 23,285
Due to other funds	298	62,255	62,553	29,189
Custodial funds payable	51,810	...	51,810	...
<b>Total liabilities</b>	<b>79,137</b>	<b>62,255</b>	<b>141,392</b>	<b>52,474</b>
<b>FUND BALANCES</b>				
Unrestricted:	122	...	122	122
Designated for educational purposes	1,539,145	...	1,539,145	2,034,663
Undesignated	...	...	...	...
Restricted:				
Special purposes	...	(2,358)	(2,358)	(1,383)
Annual education lectureship	...	90,674	90,674	82,852
Scholarships and loans	...	674,433	674,433	655,172
Lewis B. Flinn Library	...	152,558	152,558	139,734
Preston Fund	...	5,701,354	5,701,354	5,361,822
Maroney Fund	...	11,451	11,451	11,066
Capital campaign	410,039	...	587,566	539,966
Plant Fund	1,949,306	...	410,039	4,946
<b>Total fund balances</b>	<b>1,949,306</b>	<b>6,628,112</b>	<b>9,164,984</b>	<b>8,828,960</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,028,443</b>	<b>\$ 6,690,337</b>	<b>\$ 9,306,376</b>	<b>\$ 8,881,434</b>

See Report of Independent Auditor

**THE DELAWARE ACADEMY OF MEDICINE, INC.**  
**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES-ALL FUNDS**  
Year Ended December 31, 2006 With Comparative Totals for 2005

	2006		Totals	
	Current Funds Unrestricted	Restricted	2006	2005
<b>REVENUE</b>				
Contributions:				
Annual	\$ 8,242	\$ ...	\$ 8,242	\$ 2,855
Special	63,196	...	63,196	290,000
Gain (loss) on disposition of equipment	(4,946)	...	(4,946)	...
Gain (loss) on sale of investments	97,075	139,083	263,930	310,219
Unrealized investment gain (loss)	67,760	325,176	411,384	99,460
Interest:				
Student loans	...	28,390	28,390	19,435
Checking and savings	30,154	55	30,209	3,114
Investment income	9,294	223,667	240,757	184,316
Library grant	27,500	...	27,500	25,875
Library services	374,726	...	374,726	367,613
Membership dues	66,943	...	66,943	75,160
Special events	14,790	...	14,790	30,100
<b>Total revenue</b>	<u>754,734</u>	<u>716,371</u>	<u>1,525,121</u>	<u>1,408,147</u>
<b>EXPENSES</b>				
<b>EXCESS (DEFICIT) REVENUE OVER EXPENSES</b>	<u>1,105,621</u>	<u>77,060</u>	<u>1,189,097</u>	<u>1,194,768</u>
<b>BEFORE CAPITAL ADDITIONS</b>	(350,887)	639,311	336,024	213,379
<b>CAPITAL ADDITIONS</b>				
Acquisition of property and equipment				
<b>EXCESS (DEFICIT) REVENUE OVER EXPENSES AFTER CAPITAL ADDITIONS</b>	(350,887)	639,311	336,024	213,379
<b>FUND BALANCES</b>				
Beginning of year	2,039,731	6,249,263	8,828,960	8,615,581
Operating transfers	260,462	(260,462)	...	...
End of year	<u>\$ 1,949,306</u>	<u>\$ 6,628,112</u>	<u>\$ 9,164,984</u>	<u>\$ 8,828,960</u>

See Report of Independent Auditor



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

**SCHEDULE OF EXPENSES-ALL FUNDS**

Year Ended December 31, 2006 With Comparative Totals for 2005

	2006		Totals	
	Current Funds Unrestricted	Restricted	2006	2005
<b>EXPENSES</b>				
Salaries	\$ 588,316	\$ ...	\$ 588,316	\$ 604,067
Employee benefits	41,773	...	41,773	37,551
Payroll taxes, etc.	41,379	...	41,379	44,494
<b>Total salaries &amp; related expenses</b>	<b>671,468</b>	<b>...</b>	<b>671,468</b>	<b>686,112</b>
Advertising	24,141	77,060	107,617	527
Administration-investments	44,776	...	44,776	85,183
Archivist expenses	16,954	...	16,954	10,772
Banquet and meetings	32,771	...	32,771	1,525
Bad debts	12,050	...	12,050	17,328
Relocation	21,304	...	21,304	...
Database	1,159	...	1,159	...
Technology	11,034	...	11,034	3,728
Calendar	25,444	...	25,444	13,653
Computer expenses	8,339	...	8,339	8,423
Insurance	1,113	...	1,113	9,221
Library:				
Advertising	5,748	...	5,748	3,290
Training seminars	2,638	...	2,638	10,462
Books	5,860	...	5,860	2,130
Dues	4,354	...	4,354	1,989
Journals	24,260	...	24,260	30,561
Inter-library loan/medline services	3,575	...	3,575	1,184
Kent County-Sussex-New Castle	3,576	...	3,576	35,802
Postage	3,218	...	3,218	4,108
Supplies and computer	5,759	...	5,759	62,129
TEL-MED	6,650	...	6,650	1,989
Travel and education	4,542	...	4,542	1,480
Miscellaneous	938	...	938	1,167
Printing and copying	28,941	...	28,941	9,012
Professional fees	19,935	...	19,935	4,072
Program expenses	2,408	...	2,408	37,950
Office supplies	96,280	...	96,280	11,283
Postage	9,265	...	9,265	2,394
Rent	6,662	...	6,662	...
Special events				100,000
Telephone				25,711
<b>TOTAL EXPENSES</b>	<b>\$ 1,105,621</b>	<b>\$ 77,060</b>	<b>\$ 1,189,097</b>	<b>\$ 1,194,768</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, 2006 With Comparative Totals for 2005

	2006					Totals	
	Special Purposes	Annual Education Lectureship	Scholarships and Loans	Lewis B. Flinn Library	Preston Fund	Maroney Fund	2005
<b>REVENUE</b>							
Contributions	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...
Gain on sale of investments	...	4,564	10,414	7,482	116,399	224	301,455
Unrealized investment gain (loss)	...	3,032	9,865	4,970	307,160	149	(29,015)
Interest:							
Student loans	...	...	15,334	...	13,056	...	19,435
Checking and savings	55	...	...	...	...	55	43
Investment income	...	1,281	13,273	2,100	206,950	63	113,498
<b>Total revenue</b>	<u>55</u>	<u>8,877</u>	<u>48,886</u>	<u>14,552</u>	<u>643,565</u>	<u>436</u>	<u>405,416</u>
<b>EXPENSES</b>							
Administrative costs for loans and investments	1,030	1,055	4,624	1,728	68,571	52	56,683
Bad debts expense	...	...	...	...	...	...	...
Miscellaneous	...	...	...	...	...	...	...
Program expenses	...	...	...	...	...	...	...
<b>Total expenses</b>	<u>1,030</u>	<u>1,055</u>	<u>4,624</u>	<u>1,728</u>	<u>68,571</u>	<u>52</u>	<u>56,683</u>
<b>EXCESS (DEFICIT) REVENUE OVER EXPENSES</b>	(975)	7,822	44,262	12,824	574,994	384	348,733
<b>FUND BALANCES</b>							
Beginning of year	(1,383)	82,852	655,171	139,734	5,361,822	11,067	6,143,608
Operating transfers	...	...	(25,000)	...	(235,462)	...	(243,078)
End of year	<u>(2,358)</u>	<u>90,674</u>	<u>674,433</u>	<u>152,558</u>	<u>55,701,354</u>	<u>11,451</u>	<u>\$6,249,263</u>

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