

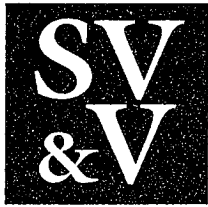
DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS

FINANCIAL STATEMENTS

DECEMBER 31, 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Delaware Academy of Medicine, Inc.
Newark, Delaware

We have audited the accompanying statement of financial position of the Delaware Academy of Medicine, Inc. (a nonprofit organization), as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Delaware Academy of Medicine, Inc.'s year end 2009 financial statements and, in our report dated September 10, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the 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, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Delaware Academy of Medicine, Inc. taken as a whole. The statement of functional expenses on page - 16 - 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 audit 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.

Sparrano, Vincidetto, Villano

September 29, 2011
Wilmington, Delaware

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Statements of Financial Position
As of December 31,

ASSETS

	<u>2 0 1 0</u>	<u>2 0 0 9</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 24,267	\$ 43,102
Prepayments	7,193	197,475
Grants Receivable	89,700	98,756
Other Receivables	-0-	2,000
Investments (unrestricted)	<u>876,861</u>	<u>866,154</u>
TOTAL CURRENT ASSETS	<u><u>998,021</u></u>	<u><u>1,207,487</u></u>
PROPERTY AND EQUIPMENT		
Furniture and Equipment	100,664	95,044
Leasehold Improvements	380,194	380,194
Software	<u>4,000</u>	<u>-0-</u>
	484,858	475,238
Less: Accumulated Depreciation	<u>(80,480)</u>	<u>(57,019)</u>
NET PROPERTY AND EQUIPMENT	<u><u>404,378</u></u>	<u><u>418,219</u></u>
OTHER ASSETS		
Student Loan Receivable (net of allowance of \$24,303, and \$23,461, respectively)	461,760	445,763
Charitable Trusts- Supporting Organizations	4,618,548	4,489,239
Investments- Temporarily Restricted	<u>962,259</u>	<u>882,727</u>
TOTAL OTHER ASSETS	<u><u>6,042,567</u></u>	<u><u>5,817,729</u></u>
<u>TOTAL ASSETS</u>	<u><u>\$7,444,966</u></u>	<u><u>\$7,443,435</u></u>

LIABILITIES AND NET ASSETS

	<u>2 0 1 0</u>	<u>2 0 0 9</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 16,027	\$ 38,078
Custodial Funds Payable	471	1,744
Deferred Revenue	<u>-0-</u>	<u>137,484</u>
 TOTAL CURRENT LIABILITIES	 <u>16,498</u>	 <u>177,306</u>
 NET ASSETS		
Unrestricted	1,325,431	1,466,328
Temporarily Restricted	<u>6,103,037</u>	<u>5,799,801</u>
 TOTAL NET ASSETS	 <u>7,428,468</u>	 <u>7,266,129</u>

<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$7,444,966</u>	<u>\$7,443,435</u>
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See accompanying independent auditors' report
and notes to financial statements.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Statements of Activities
For the Years Ended December 31,

	2 0 1 0			2 0 0 9
	Unrestricted	Temporarily Restricted	Total	For Comparative Purposes Only Total
REVENUES AND OTHER SUPPORT				
Annual Contributions	\$ 6,120	\$ -0-	\$ 6,120	\$ 4,279
Other Contributions	14,400	28,369	42,769	8,630
Membership Dues	13,796	-0-	13,796	25,745
Contract Services	113,581	-0-	113,581	99,575
Consumer Health				
Program Income	165,843	-0-	165,843	224,038
DelMIRA Subscriptions	90,592	-0-	90,592	131,183
DelMIRA Contract	101,392	-0-	101,392	461,862
Other Grants	-0-	-0-	-0-	7,175
Conference Income	26,139	-0-	26,139	8,883
Miscellaneous Income	7,113	-0-	7,113	25,570
Sublet Income	1,183	-0-	1,183	-0-
Student Loan Interest	10,135	-0-	10,135	11,689
Interest Income	73	-0-	73	124
Investment Income	34,602	149,281	183,883	132,767
Realized (Gain) Loss				
on Sale of Investments	10,354	126,082	136,436	(219,305)
Unrealized Gain				
on Investments	57,584	219,851	277,435	620,007
Net Assets Released				
from Restrictions:				
Satisfaction of				
Program Restrictions	220,347	(220,347)	-0-	-0-
TOTAL REVENUE, GAINS	873,254	303,236	1,176,490	1,542,222
AND OTHER SUPPORT				
EXPENSES				
Program	869,364	-0-	869,364	1,010,559
Management and General	126,924	-0-	126,924	224,283
Fundraising	17,863	-0-	17,863	33,879
TOTAL EXPENSES	1,014,151	-0-	1,014,151	1,268,721
CHANGES IN NET ASSETS	(140,897)	303,236	162,339	273,501
NET ASSETS-				
BEGINNING OF YEAR	1,466,328	5,799,801	7,266,129	6,992,628
END OF YEAR	\$1,325,431	\$6,103,037	\$7,428,468	\$7,266,129

See accompanying independent auditors' report
and notes to financial statements.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Statements of Cash Flows
For the Years Ended December 31,

	<u>2 0 1 0</u>	<u>2 0 0 9</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 162,339	\$ 273,501
Adjustments to Reconcile Changes In Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	23,462	19,361
Unrealized Gain on Investments	(277,435)	(620,007)
Contribution of Stock	(28,369)	-0-
Decrease (Increase) in:		
Accounts Receivable	11,056	(9,872)
Prepaid Expenses	190,282	(28,446)
Student Loans Receivable	(15,997)	37,208
(Decrease) Increase in:		
Accounts Payable	(22,051)	28,656
Deferred Revenue	(137,484)	(106,682)
Custodial Funds Payable	<u>(1,273)</u>	<u>(15,529)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>---(95,470)</u>	<u>---(421,810)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(9,620)	-0-
Transfers from Trust accounts	326,586	308,931
Reinvested Investment Income (net)	(103,895)	(69,183)
Realized (Gain) Loss on Investments	<u>(136,436)</u>	<u>219,305</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>---76,635</u>	<u>---459,053</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-----0-</u>	<u>-----0-</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(18,835)	37,243
CASH AND CASH EQUIVALENTS- BEGINNING	<u>43,102</u>	<u>5,859</u>
CASH AND CASH EQUIVALENTS- ENDING	<u>\$ 24,267</u>	<u>\$ 43,102</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for interest	\$ <u>-----0-</u>	\$ <u>-----0-</u>
Cash paid during the year for taxes	\$ <u>-----0-</u>	\$ <u>-----0-</u>

See accompanying independent auditors' report
and notes to financial statements.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements
For the Years Ended December 31, 2010 and 2009

NOTE 1 THE ORGANIZATION

The mission of Delaware Academy of Medicine, Inc. is to enhance the well being of the community through education and the promotion of public health. The Academy participates in several projects providing health information services to medical professionals, students and the public across Delaware. The Academy's major programs include:

Consumer Services

Delaware Health Source - The mission of the Delaware Health Source is to partner with individuals and communities to promote a healthy Delaware. We provide unbiased, knowledgeable resources, outreach, and education so Delawareans can make informed health care decisions.

TELMED - an automated telephone-based health information system for patients and their families. The system contains recorded messages on hundreds of health topics, available in both English and Spanish. The service receives more than 100,000 calls per year.

Go Local - Free online database that lists hundreds of health services and health-related programs available in Delaware. Users will find health practitioners, support groups, hotlines, counseling programs, pre-natal care, Spanish-speaking health care providers, massage therapists, health screening programs, and a wealth of other services.

Professional Services

DelMIRA - The Delaware Medical Information Resource Alliance provided access to electronic databases, textbooks, and journals to most acute care hospitals in the state along with the Delaware Division of Public Health and the Delaware Division of Substance Abuse & Mental Health. DelMIRA was funded through June 30, 2010 by a grant from the Delaware Division of Public Health.

Education - The Academy encourages scientific research, education and professional excellence. As a member benefit, membership includes access to extensive online medical resources. They also sponsor lectures and seminars on topics of interest to physicians, dentists, and allied health professionals.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2010 and 2009

NOTE 1 THE ORGANIZATION (Cont'd)

Student Financial Aid

The Academy supports medical and dental education with a Student Financial Aid Program for Delaware residents pursuing careers in a medical field.

History and Archives

Over 75 years ago, the Delaware Academy of Medicine began collecting materials to preserve the history of medicine, dentistry, nursing, and the health professions in Delaware. This collection has grown into the Delaware Academy of Medicine Archive of History of Medicine and Dentistry. The archive now holds books and journals, medical and dental instruments, furniture, photographs, records of Delaware medical societies, including the Academy itself, personal papers of and biographical information about members of the Delaware medical community, and paintings, sculptures, and other artwork.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Delaware Academy of Medicine, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Academy presents its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, they 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 purpose of the statement of cash flows, the Academy considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents. Money market funds held by the trustee in trust accounts are not considered cash or cash equivalents for the statement of cash flows.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2010 and 2009

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Receivables - Grants 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.

Receivables- Student Loans

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.

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.

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.

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. 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.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2010 and 2009

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Donated Services

No amounts have been reflected in the financial statements for donated services. 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 the generally accepted accounting principles.

Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Fair Value Measurements

The generally accepted accounting principles followed by the Academy have clarified the definition of fair value, established a framework for measuring fair value and expands the disclosure requirements for value measurements.

The carrying amounts for cash, cash equivalents, current receivables and current liabilities reported in the statement of financial position approximate fair values. Investment are reported at fair market value. Other assets, including property and equipment, are also subject to periodic impairment assessments under the accounting principles, however these assets have been omitted from the above disclosure.

Collections

Collections, which were acquired through contributions since the organization's inception, are not recognized as assets on the statement of financial position. Contributed collection items are not reflected on the financial statements. Proceeds from sales or insurance recoveries are reflected as increases in the appropriate net asset classes.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2010 and 2009

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Principles of Consolidation

The financial statements of Delaware Academy of Medicine, Inc. have been consolidated with its supporting organizations (see Note 7) and presented as Delaware Academy of Medicine, Inc. and Supporting Organizations. All material inter-company accounts and transactions are eliminated in consolidation.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and the supporting services benefitted.

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.

NOTE 3 COMPARATIVE FINANCIAL STATEMENTS

The financial statements include certain prior-year summarized comparative information, which has been reported in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

NOTE 4 INCOME TAX STATUS

The Academy is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. 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).

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2010 and 2009

NOTE 4 INCOME TAX STATUS (cont'd)

The Organization's income tax status is a privilege, which may be revoked by the IRS for any one of several reasons. The Academy has considered the nature of their activities and the disclosures made on their tax return, Form 990, and believes their reporting is appropriate based on current facts and circumstances. The organizations tax returns for the three most recent years (2008 - 2010) are open to examination.

NOTE 5 INVESTMENTS

At December 31, 2010, the Academy held investments in a managed account and was sole beneficiary to a grantor trust that was held and managed by the same trust company. The investments are managed by independent investments advisors in compliance with established board investment policies and restrictions placed upon the trusts.

In accordance with generally accepted accounting principles, the Academy's investments are recognized and disclosed at their fair market value in the statement of financial position. In addition, these principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

- Level 1 inputs are quoted prices for identical investments in an active market
- Level 2 inputs are quoted prices for similar investments in active markets; quoted or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets
- Level 3 are model derived valuation in which one or more significant inputs or significant value drivers are unobservable

In certain cases, the inputs to measure fair value may result in an asset or liability falling into more than one level of fair value hierarchy. In such case, the determination of the classification of an asset or liability within the fair value hierarchy is based on the least determinate input that is significant to the fair value measurement.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2010 and 2009

NOTE 5 INVESTMENTS (Cont'd)

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

<u>Description</u>	<u>2 0 1 0</u>		<u>2 0 0 9</u>	
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Cost</u>	<u>Fair Market Value</u>
Level 1				
Corporate Stock	\$ 13,655	\$ 78,062	\$ 13,655	\$ 52,694
<u>Grantor Trust:</u>				
Level 1				
Money Market Funds	1,599	1,599	52,275	52,275
Equities & Other	69,171	83,573	62,252	68,598
Fixed Income	47,880	48,293	29,027	29,933
Level 2				
Real Assets	13,499	19,476	-0-	-0-
Portfolio Hedges	4,753	4,351	-0-	-0-
<u>Investment Account:</u>				
Level 1				
Money Market Funds	35,960	35,960	202,917	202,917
Equities & Other	811,638	865,734	904,811	965,661
Fixed Income	502,248	504,734	374,011	376,803
Level 2				
Real Assets	84,370	140,572	-0-	-0-
Portfolio Hedges	59,727	56,766	-0-	-0-
Total Investments	<u>\$1,644,500</u>	<u>\$1,839,120</u>	<u>\$1,638,948</u>	<u>\$1,748,881</u>
Investments:				
Unrestricted		\$ 876,861		\$ 866,154
Restricted		<u>962,259</u>		<u>882,727</u>
Total Investments		<u>\$1,839,120</u>		<u>\$1,748,881</u>

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

<u>Description</u>	<u>2 0 1 0</u>	<u>2 0 0 9</u>
Dividends and Interest	\$ 68,034	\$ 39,713
Realized Gain (Loss) on Investments	24,637	(51,017)
Unrealized Gain on Investments	83,199	121,389
Less: Investment Management Fees	<u>(20,994)</u>	<u>(21,393)</u>
Net Return on Investments	<u>\$ 154,876</u>	<u>\$ 88,692</u>

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2010 and 2009

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

Net assets are restricted for the following purposes, as of December 31, :

	<u>2 0 1 0</u>	<u>2 0 0 9</u>
Financial Assistance to Students in the Study of Medicine	\$ 450,157	\$ 369,953
Operating Funds for the Lewis B. Flinn Library	176,833	139,610
Capital Improvements	531,230	495,968
Other Purposes	<u>23,670</u>	<u>22,099</u>
	<u>1,181,890</u>	<u>1,027,630</u>
Carpenter Trust for the benefit of the DE Academy of Medicine	283,820	287,754
Preston Charitable Trust for the benefit of DE Academy of Medicine	<u>4,637,327</u>	<u>4,484,417</u>
<u>Temporarily Restricted Net Assets</u>	<u>\$6,103,037</u>	<u>\$5,799,801</u>

NOTE 7 SUPPORTING ORGANIZATIONS

The Academy is supported by the Carpenter Trust for the Delaware Academy of Medicine (Carpenter Trust) and the Preston Charitable Trust for the Delaware Academy of Medicine (Preston Trust). The trusts exist to support the operations of the Academy and both trusts have been determined to be Type I Supporting Organizations under IRC Section 509(a)(3).

The Trusts and the Academy are under common control. Combined financial statements of these organizations are presented in the Statements of Financial Position, Activities, Functional Expenses and Cash Flows. The components of net assets of the Academy and Supporting Organizations are described in Note 6.

The Preston Trust is to be used for general operations and provides for a monthly transfer to the Academy's operating account. The amounts transferred to the Academy for the years ended December 31, 2010 and 2009 were \$201,799 and \$193,826, respectively. These amounts have been eliminated from the financial statements during consolidation.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2010 and 2009

NOTE 7 SUPPORTING ORGANIZATIONS (cont'd)

The Carpenter Trust was established by the donor in order to provide funding for the Academy's medical student loan program.

NOTE 8 DEFERRED COMPENSATION PLAN

The Academy offers a defined contribution plan created in accordance with Internal Revenue Code Section 403(b) and an employer sponsored non-qualified deferred compensation plan. Participation in the plans is optional. The defined contribution plan permits employees to defer a portion of their salary until termination, retirement, death, or unforeseeable emergency. The Academy 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, 2010 and 2009 were \$10,772 and \$12,978, respectively.

NOTE 9 CONCENTRATION OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

At various times during the fiscal year, the Organization's money market funds held at a local brokerage company exceeded the Securities Investor Protection Corporation (SIPC) insurance. SIPC insures investment accounts in the event of a bank failure, not losses as a result of regular market fluctuations.

NOTE 10 LEASE ARRANGEMENTS AS LESSEE

The Academy entered into a lease for office space at Christiana Hospital on July 11, 2006 for an indefinite period. At December 31, 2010, the minimum monthly lease payments required under the operating leasing arrangement were \$2,315. Rent expense for the years ending December 31, 2010 and 2009 was \$27,780 and \$24,596, respectively.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2010 and 2009

NOTE 11 ADVERTISING COSTS

Advertising costs are generally charged to the appropriate program when incurred. Amounts incurred for program marketing for the years ended December 31, 2010 and 2009 were \$6,764 and \$5,210, respectively.

NOTE 12 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 13 MANAGEMENT'S REVIEW

After year end, the Grantor Trust, which the Academy was the sole beneficiary of, was dissolved. The investments in that trust were transferred to the Academy's investment account.

Subsequent events were evaluated through September 29, 2011, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Schedules of Functional Expenses
For the Years Ended December 31,

	2 0 1 0			
	Consumer Health Program	Professional Information Services	Student Financial Aid	Total Program
EXPENSES				
Salaries	\$ 246,846	\$ 82,000	\$ 10,000	\$ 338,846
Employee Benefits	31,094	11,038	1,346	43,478
Payroll Taxes	17,657	5,866	715	24,238
TOTAL SALARIES AND RELATED EXPENSES	295,597	98,904	12,061	406,562
Marketing & Outreach	1,935	4,829	-0-	6,764
Investment Advisor Fees	-0-	-0-	-0-	-0-
Archivist Expenses	-0-	5,629	-0-	5,629
Information Technology	16,592	36,687	-0-	53,279
Equipment Lease	-0-	5,104	-0-	5,104
Insurance	6,294	1,180	393	7,867
Journals	12,814	-0-	-0-	12,814
DelMIRA - Licenses	185,262	-0-	-0-	185,262
DelMIRA - Administration	1,036	-0-	-0-	1,036
Dues & Publications	-0-	2,095	-0-	2,095
Postage	-0-	6,200	-0-	6,200
Program Supplies	5,194	-0-	-0-	5,194
Bad Debt Expense	-0-	-0-	920	920
Bank & Credit Card Fees	-0-	4,066	1,949	6,015
TEL-MED Expenses	-0-	1,359	-0-	1,359
Training & Education	-0-	14,163	-0-	14,163
Travel Expense	120	785	-0-	905
Printing & Copying	-0-	2,539	-0-	2,539
Professional Fees	-0-	5,263	-0-	5,263
Program Expenses	6,453	3,517	-0-	9,970
Office Supplies	-0-	5,747	-0-	5,747
Office Lease Expense	13,890	11,112	2,778	27,780
Conference Expense	-0-	69,687	-0-	69,687
Telephone Expense	1,874	1,499	375	3,748
Depreciation	-0-	22,573	889	23,462
TOTAL EXPENSES	<u>\$ 547,061</u>	<u>\$ 302,938</u>	<u>\$ 19,365</u>	<u>\$ 869,364</u>

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<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>	<u>For Comparative Purposes Only Total</u>
\$ 14,875	\$ -0-	\$ 353,721	\$ 437,417
2,003	-0-	45,481	60,660
<u>1,064</u>	<u>-0-</u>	<u>25,302</u>	<u>29,630</u>
17,942	-0-	424,504	527,707
-0-	-0-	6,764	5,210
79,990	-0-	79,990	80,711
-0-	-0-	5,629	3,660
-0-	-0-	53,279	55,208
-0-	-0-	5,104	5,418
-0-	-0-	7,867	8,715
-0-	-0-	12,814	10,265
-0-	-0-	185,262	330,414
-0-	-0-	1,036	10,170
-0-	-0-	2,095	210
-0-	-0-	6,200	5,358
-0-	-0-	5,194	8,501
-0-	-0-	920	16,800
-0-	-0-	6,015	5,504
-0-	-0-	1,359	6,396
-0-	-0-	14,163	8,182
-0-	-0-	905	2,722
-0-	-0-	2,539	1,956
28,992	-0-	34,255	29,131
-0-	-0-	9,970	7,027
-0-	-0-	5,747	4,153
-0-	-0-	27,780	24,596
-0-	17,863	87,550	88,250
-0-	-0-	3,748	3,096
<u>-0-</u>	<u>-0-</u>	<u>23,462</u>	<u>19,361</u>
<u>\$ 126,924</u>	<u>\$ 17,863</u>	<u>\$1,014,151</u>	<u>\$1,268,721</u>

See accompanying independent auditors' report
and notes to financial statements.