

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS

FINANCIAL STATEMENTS

DECEMBER 31, 2011

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF FUNCTIONAL EXPENSES	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6-15



SPARANO, VINCELETTE & VILLANO

CERTIFIED PUBLIC ACCOUNTANTS

1814 NEWPORT GAP PIKE
WILMINGTON, DELAWARE 19808

PHONE (302) 999-7300

FAX (302) 999-7183

JOSEPH C. SPARANO, CPA
CHARLES J. VINCELETTE, CPA
RENEE A. VILLANO, CPA
GLENN F. DAVIS, CPA

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of the Delaware Academy of Medicine, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities, functional expenses 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 2010 financial statements and, in our report dated September 29, 2011, 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, 2011, 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.

A handwritten signature in cursive script that reads 'Sparano, Vincelette, Villano'.

September 27, 2012
Wilmington, Delaware

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

ASSETS

	<u>2 0 1 1</u>	<u>2 0 1 0</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 15,076	\$ 24,267
Prepayments	3,949	7,193
Grants Receivable	23,702	89,700
Investments (unrestricted)	<u>812,050</u>	<u>876,861</u>
TOTAL CURRENT ASSETS	<u>854,777</u>	<u>998,021</u>
PROPERTY AND EQUIPMENT		
Furniture and Equipment	102,064	100,664
Leasehold Improvements	380,194	380,194
Software	<u>4,000</u>	<u>4,000</u>
	486,258	484,858
Less: Accumulated Depreciation	<u>(101,956)</u>	<u>(80,480)</u>
NET PROPERTY AND EQUIPMENT	<u>384,302</u>	<u>404,378</u>
OTHER ASSETS		
Student Loan Receivable (net of allowance of \$25,966, and \$24,303, respectively)	493,348	461,760
Charitable Trusts- Supporting Organizations	4,294,483	4,618,548
Investments- Temporarily Restricted	<u>904,938</u>	<u>962,259</u>
TOTAL OTHER ASSETS	<u>5,692,769</u>	<u>6,042,567</u>
TOTAL ASSETS	<u>\$6,931,848</u>	<u>\$7,444,966</u>

LIABILITIES AND NET ASSETS

	<u>2 0 1 1</u>	<u>2 0 1 0</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 23,613	\$ 16,027
Custodial Funds Payable	1,054	471
Deferred Revenue	<u>-0-</u>	<u>-0-</u>
TOTAL CURRENT LIABILITIES	<u>24,667</u>	<u>16,498</u>
NET ASSETS		
Unrestricted	1,138,769	1,325,431
Temporarily Restricted	<u>5,768,412</u>	<u>6,103,037</u>
TOTAL NET ASSETS	<u>6,907,181</u>	<u>7,428,468</u>

TOTAL LIABILITIES AND NET ASSETS \$6,931,848 \$7,444,966

See accompanying auditors' report
and notes to financial statements.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Statements of Activities For the Year Ended December 31, 2011 with
Summarized Information For the Year Ended December 31, 2010

	2 0 1 1			2 0 1 0
	Unrestricted	Temporarily Restricted	Total	Summarized Information
REVENUES, GAINS AND OTHER SUPPORT				
Annual Contributions	\$ 4,391	\$ -0-	\$ 4,391	\$ 6,120
Other Contributions	4,760	5,000	9,760	42,769
Membership Dues	3,823	-0-	3,823	13,796
Contract Services	112,013	-0-	112,013	113,581
Consumer Health				
Program Income	75,833	-0-	75,833	165,843
DelMIRA Subscriptions	-0-	-0-	-0-	90,592
DelMIRA Contract	-0-	-0-	-0-	101,392
Other Grants	52,012	-0-	52,012	-0-
Conference Income	45,280	-0-	45,280	26,139
Miscellaneous Income	4,807	-0-	4,807	7,113
Sublet Income	-0-	-0-	-0-	1,183
Student Loan Interest	5,416	-0-	5,416	10,135
Interest Income	45	-0-	45	73
Investment Income	28,658	212,073	240,731	183,883
Realized Gain				
on Sale of Investments	12,457	273,852	286,309	136,436
Unrealized (Loss) Gain				
on Investments	(71,620)	(541,457)	(613,077)	277,435
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	<u>284,093</u>	<u>(284,093)</u>	<u>-0-</u>	<u>-0-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>561,968</u>	<u>(334,625)</u>	<u>227,343</u>	<u>1,176,490</u>
EXPENSES				
Program	610,297	-0-	610,297	869,364
Management and General	123,710	-0-	123,710	126,924
Fundraising	<u>14,623</u>	<u>-0-</u>	<u>14,623</u>	<u>17,863</u>
TOTAL EXPENSES	<u>748,630</u>	<u>-0-</u>	<u>748,630</u>	<u>1,014,151</u>
CHANGES IN NET ASSETS	(186,662)	(334,625)	(521,287)	162,339
NET ASSETS- BEGINNING OF YEAR	<u>1,325,431</u>	<u>6,103,037</u>	<u>7,428,468</u>	<u>7,266,129</u>
NET ASSETS- END OF YEAR	<u>\$1,138,769</u>	<u>\$5,768,412</u>	<u>\$6,907,181</u>	<u>\$7,428,468</u>

See accompanying auditors' report
and notes to financial statements.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS

Statements of Functional Expenses For the Year Ended December 31, 2011
with Summarized Information For the Year Ended December 31, 2010

	2 0 1 1			
	Consumer Health Program	Professional Information Services	Student Financial Aid	Total Program
Salaries	\$ 182,064	\$ 122,875	\$ 11,000	\$ 315,939
Employee Benefits	25,835	15,010	1,417	42,262
Payroll Taxes	<u>12,892</u>	<u>8,701</u>	<u>779</u>	<u>22,372</u>
TOTAL SALARIES AND RELATED EXPENSES	220,791	146,586	13,196	380,573
Marketing & Outreach	1,889	-0-	-0-	1,889
Investment Advisor Fees	-0-	-0-	-0-	-0-
Archivist Expenses	-0-	1,964	-0-	1,964
Information Technology	160	41,365	-0-	41,525
Equipment Lease	-0-	5,302	-0-	5,302
Insurance	2,675	2,340	-0-	5,015
Journals	-0-	-0-	-0-	-0-
DelMIRA - Licenses	-0-	-0-	-0-	-0-
DelMIRA - Administration	-0-	-0-	-0-	-0-
Dues & Publications	-0-	742	-0-	742
Postage	-0-	2,725	-0-	2,725
Program Supplies	16,358	7,921	-0-	24,279
Bad Debt Expense	-0-	-0-	6,009	6,009
Bank & Credit Card Fees	-0-	2,482	1,232	3,714
TEL-MED Expenses	-0-	-0-	-0-	-0-
Training & Education	-0-	8,100	-0-	8,100
Travel Expense	-0-	458	-0-	458
Printing & Copying	-0-	5,822	-0-	5,822
Professional Fees	-0-	16,054	-0-	16,054
Program Expenses	-0-	-0-	-0-	-0-
Office Supplies	-0-	1,638	-0-	1,638
Office Lease Expense	17,989	14,391	-0-	32,380
Conference Expense	-0-	48,240	-0-	48,240
Telephone Expense	1,329	1,063	-0-	2,392
Depreciation	<u>-0-</u>	<u>20,143</u>	<u>1,333</u>	<u>21,476</u>
<u>TOTAL EXPENSES</u>	<u>\$ 261,191</u>	<u>\$ 327,336</u>	<u>\$ 21,770</u>	<u>\$ 610,297</u>

Management & General	2 0 1 1		2 0 1 0
	Fundraising	Total	Summarized Information
\$ 15,125	\$ -0-	\$ 331,064	\$ 353,721
1,948	-0-	44,210	45,481
<u>1,071</u>	<u>-0-</u>	<u>23,443</u>	<u>25,302</u>
18,144	-0-	398,717	424,504
-0-	-0-	1,889	6,764
76,913	-0-	76,913	79,990
-0-	-0-	1,964	5,629
-0-	-0-	41,525	53,279
-0-	-0-	5,302	5,104
1,672	-0-	6,687	7,867
-0-	-0-	-0-	12,814
-0-	-0-	-0-	185,262
-0-	-0-	-0-	1,036
-0-	-0-	742	2,095
-0-	-0-	2,725	6,200
-0-	-0-	24,279	5,194
-0-	-0-	6,009	920
-0-	-0-	3,714	6,015
-0-	-0-	-0-	1,359
-0-	-0-	8,100	14,163
-0-	-0-	458	905
-0-	-0-	5,822	2,539
23,117	-0-	39,171	34,255
-0-	-0-	-0-	9,970
-0-	-0-	1,638	5,747
3,598	-0-	35,978	27,780
-0-	14,623	62,863	87,550
266	-0-	2,658	3,748
<u>-0-</u>	<u>-0-</u>	<u>21,476</u>	<u>23,462</u>
<u>\$ 123,710</u>	<u>\$ 14,623</u>	<u>\$ 748,630</u>	<u>\$1,014,151</u>

See accompanying 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 1</u>	<u>2 0 1 0</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ (521,287)	\$ 162,339
Adjustments to Reconcile Changes In Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	21,476	23,462
Unrealized Loss(Gain) Investments	613,077	(277,435)
Contribution of Stock	-0-	(28,369)
Decrease (Increase) in:		
Accounts Receivable	65,998	11,056
Prepaid Expenses	3,244	190,282
Student Loans Receivable	(31,588)	(15,997)
Increase (Decrease) in:		
Accounts Payable	7,586	(22,051)
Deferred Revenue	-0-	(137,484)
Custodial Funds Payable	583	(1,273)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>159,089</u>	<u>(95,470)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(1,400)	(9,620)
Transfers from Trust accounts	280,680	326,586
Reinvested Investment Income (net)	(161,251)	(103,895)
Realized Gain on Investments	(286,309)	(136,436)
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	<u>(168,280)</u>	<u>76,635</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-0-</u>	<u>-0-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,191)	(18,835)
CASH AND CASH EQUIVALENTS- BEGINNING	<u>24,267</u>	<u>43,102</u>
CASH AND CASH EQUIVALENTS- END OF YEAR	<u>\$ 15,076</u>	<u>\$ 24,267</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 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, 2011 and 2010

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:

Public Health Services

Navigating this constantly changing health care landscape is a challenge for medical providers of all specialties and career levels. In this environment, offering credible, unbiased, and reliable medical education becomes paramount. The Academy offers *Mini-Medical School* programs, which is a free six-week lecture series offered for adults of all ages and high school students to learn about important trends in medicine and health. Faculty will provide in-depth lectures on important issues and advances in medicine and research. Participants can ask questions after each lecture. There are no tests or grades. No previous medical training is required.

Additionally, the Academy maintains the *Gail P. Gill Community Health Library* located in the John H. Ammon Medical Education Center at Christiana Hospital. The library can help the public locate reliable, up-to-date information on a variety of topics, such as diseases, medications and medical tests, wellness and prevention, aging, stress management, exercise and nutrition. The public can depend on the reliability and timeliness of the resources, along with a professional medical librarian who can assist them in locating credible sources of health information on the Internet.

Professional Services

The Academy encourages scientific research, education and professional excellence. As a member benefit, membership includes access to extensive online medical resources and high-quality medical education programs which often offers the opportunity to earn the appropriate CME.

Additionally, the Academy maintains the medical books and journals for the Lewis B. Flinn Medical Library located at Christiana Hospital, as well as, the Presbyterian Medical Center Library located in Philadelphia.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2011 and 2010

NOTE 1 THE ORGANIZATION (Cont'd)

Student Financial Aid

The Academy's Student Financial Aid program was established in 1961 to help promote the study of medicine and dentistry. Since that time, nearly 1200 students have received more than \$1.85 million in loans. These funds are made available through special endowments of the Academy, which have been designated for this specific purpose.

History and Archives

Since 1930, 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.

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.

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.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2011 and 2010

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

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, 2011 and 2010

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, 2011 and 2010

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

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.

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, 2010, from which the summarized information was derived.

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2011 and 2010

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).

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 (2009 - 2011) are open to examination.

NOTE 5 INVESTMENTS

At December 31, 2011, 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

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2011 and 2010

NOTE 5 INVESTMENTS (Cont'd)

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.

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

	2 0 1 1		2 0 1 0	
Description	Cost	Fair Market Value	Cost	Fair Market Value
Level 1				
Corporate Stock	\$ 13,655	\$ 71,646	\$ 13,655	\$ 78,062
<u>Grantor Trust:</u>				
Level 1				
Money Market Funds	-0-	-0-	1,599	1,599
Equities & Other	-0-	-0-	69,171	83,573
Fixed Income	-0-	-0-	47,880	48,293
Level 2				
Real Assets	-0-	-0-	13,499	19,476
Portfolio Hedges	-0-	-0-	4,753	4,351
<u>Investment Account:</u>				
Level 1				
Money Market Funds	36,266	36,266	35,960	35,960
Equities & Other	1,094,847	1,062,190	811,638	865,734
Fixed Income	417,839	426,667	502,248	504,734
Level 2				
Real Assets	87,931	120,219	84,370	140,572
Portfolio Hedges	-0-	-0-	59,727	56,766
 Total Investments	 <u>\$1,650,538</u>	 <u>\$1,716,988</u>	 <u>\$1,644,500</u>	 <u>\$1,839,120</u>
 Investments:				
Unrestricted		\$ 812,050		\$ 876,861
Restricted		<u>904,938</u>		<u>962,259</u>
 Total Investments		 <u>\$1,716,988</u>		 <u>\$1,839,120</u>

DELAWARE ACADEMY OF MEDICINE, INC.
AND SUPPORTING ORGANIZATIONS
Notes to Financial Statements (Cont'd)
For the Years Ended December 31, 2011 and 2010

NOTE 5 INVESTMENTS (Cont'd)

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 1</u>	<u>2 0 1 0</u>
Dividends and Interest	\$ 67,579	\$ 68,034
Realized Gain (Loss) on Investments	29,566	24,637
Unrealized Gain on Investments	(151,313)	83,199
Less: Investment Management Fees	<u>(20,197)</u>	<u>(20,994)</u>
Net Return on Investments	\$ <u>(74,365)</u>	\$ <u>154,876</u>

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2 0 1 1</u>	<u>2 0 1 0</u>
Program Grant	\$ 4,241	\$ -0-
Financial Assistance to Students in the Study of Medicine	403,112	450,157
Operating Funds for the Lewis B. Flinn Library	171,160	176,833
Capital Improvements	514,188	531,230
Other Purposes	<u>21,911</u>	<u>23,670</u>
	<u>1,114,612</u>	<u>1,181,890</u>
Carpenter Trust for the benefit of the DE Academy of Medicine	313,099	283,820
Preston Charitable Trust for the benefit of DE Academy of Medicine	<u>4,340,701</u>	<u>4,637,327</u>
<u>Temporarily Restricted Net Assets</u>	<u>\$5,768,412</u>	<u>\$6,103,037</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).