

**Community Volunteers in Medicine**  
**Financial Statements**  
**June 30, 2013 and 2012**

**Community Volunteers in Medicine**  
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**June 30, 2013 and 2012**

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Independent Auditors' Report

To the Board of Trustees of  
Community Volunteers in Medicine  
West Chester, Pennsylvania

We have audited the accompanying financial statements of Community Volunteers in Medicine (a nonprofit corporation) which comprise the statement of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Volunteers in Medicine as of June 30, 2013 and 2012 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditors' Report (continued)

**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Gallagher McDevitt Schalleur & Surgent LLC*

Gallagher, McDevitt, Schalleur & Surgent, LLC  
Devon, Pennsylvania  
September 17, 2013

**Community Volunteers in Medicine**  
**Statements of Financial Position**  
**June 30, 2013 and 2012**

**Assets**

	2013		2012
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,598,186	\$	888,842
Unconditional promises to give	242,488		360,764
Other current assets	29,969		36,760
<b>Total current assets</b>	<b>1,870,643</b>		<b>1,286,366</b>
<b>Investments</b>	<b>11,552,355</b>		<b>11,042,085</b>
<b>Fixed assets, net</b>	<b>325,123</b>		<b>409,783</b>
<b>Other assets</b>			
Security deposits	3,500		3,500
Long-term unconditional promises to give	500,403		211,280
<b>Total other assets</b>	<b>503,903</b>		<b>214,780</b>
<b>Total assets</b>	<b>\$ 14,252,024</b>	\$	<b>12,953,014</b>

**Liabilities and Net Assets**

<b>Current liabilities</b>			
Accounts payable	\$ 8,266	\$	26,511
Accrued expenses	34,662		39,880
<b>Total current liabilities</b>	<b>42,928</b>		<b>66,391</b>
<b>Net assets</b>			
Unrestricted	12,741,300		11,697,117
Temporarily restricted	951,828		673,538
Permanently restricted	515,968		515,968
<b>Total net assets</b>	<b>14,209,096</b>		<b>12,886,623</b>
<b>Total liabilities and net assets</b>	<b>\$ 14,252,024</b>	\$	<b>12,953,014</b>

See independent auditors' report.  
The accompanying notes are an integral part of the financial statements.

**Community Volunteers in Medicine**  
**Statements of Activities**  
**Years Ended June 30, 2013 and 2012**

	2013				2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Public support and revenue</b>								
Contributions and grants	\$ 1,392,448	\$ 259,728	\$ -	\$ 1,652,176	\$ 1,457,175	\$ 265,132	\$ -	\$ 1,722,307
Benefit (provision) for uncollectible pledges	(7,862)	-	-	(7,862)	5,903	-	-	5,903
Net contributions and grants	1,384,586	259,728	-	1,644,314	1,463,078	265,132	-	1,728,210
Donated services	2,007,020	-	-	2,007,020	1,992,436	-	-	1,992,436
Donated materials	2,239,046	-	-	2,239,046	2,065,281	-	-	2,065,281
Patient contributions	59,942	-	-	59,942	54,333	-	-	54,333
Fundraising events	518,050	500,000	-	1,018,050	425,648	55,900	-	481,548
Investment income	1,155,002	-	-	1,155,002	19,648	-	-	19,648
Miscellaneous income	3,186	-	-	3,186	1,374	-	-	1,374
Realized loss on disposal of fixed assets	-	-	-	-	(833)	-	-	(833)
Net assets released from restrictions	481,438	(481,438)	-	-	551,101	(551,101)	-	-
<b>Total public support and revenue</b>	<b>7,848,270</b>	<b>278,290</b>	<b>-</b>	<b>8,126,560</b>	<b>6,572,066</b>	<b>(230,069)</b>	<b>-</b>	<b>6,341,997</b>
<b>Expenses</b>								
Program services:								
Medical and dental services	6,192,950	-	-	6,192,950	5,680,560	-	-	5,680,560
<b>Total program services</b>	<b>6,192,950</b>	<b>-</b>	<b>-</b>	<b>6,192,950</b>	<b>5,680,560</b>	<b>-</b>	<b>-</b>	<b>5,680,560</b>
Supporting services:								
Management and general	287,321	-	-	287,321	311,031	-	-	311,031
Fundraising	323,816	-	-	323,816	327,597	-	-	327,597
<b>Total supporting services</b>	<b>611,137</b>	<b>-</b>	<b>-</b>	<b>611,137</b>	<b>638,628</b>	<b>-</b>	<b>-</b>	<b>638,628</b>
<b>Total expenses</b>	<b>6,804,087</b>	<b>-</b>	<b>-</b>	<b>6,804,087</b>	<b>6,319,188</b>	<b>-</b>	<b>-</b>	<b>6,319,188</b>
Change in net assets	1,044,183	278,290	-	1,322,473	252,878	(230,069)	-	22,809
Net assets, beginning of year	11,697,117	673,538	515,968	12,886,623	11,444,239	903,607	515,968	12,863,814
<b>Net assets, end of year</b>	<b>\$ 12,741,300</b>	<b>\$ 951,828</b>	<b>\$ 515,968</b>	<b>\$ 14,209,096</b>	<b>\$ 11,697,117</b>	<b>\$ 673,538</b>	<b>\$ 515,968</b>	<b>\$ 12,886,623</b>

See independent auditors' report.  
The accompanying notes are an integral part of the financial statements.

**Community Volunteers in Medicine**  
**Statements of Cash Flows**  
**Years Ended June 30, 2013 and 2012**

	2013		2012
<b>Cash flows from operating activities</b>			
Change in net assets	\$ 1,322,473	\$	22,809
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation expense	102,721		105,441
Loss on disposal of fixed assets	-		833
Net unrealized (gain) loss on investment securities	(490,650)		183,720
Realized (gain) loss on investment securities	(291,330)		140,999
(Increase) decrease in unconditional promises to give	(170,847)		233,436
(Increase) decrease in other current assets	6,791		11,957
Increase (decrease) in accounts payable	(18,245)		(2,584)
Increase (decrease) in accrued expenses	(5,218)		15,494
<b>Cash provided by operating activities</b>	<b>455,695</b>		<b>712,105</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets	(18,061)		(66,577)
Purchase of investment securities	(3,193,142)		(2,502,392)
Proceeds from the sale of investment securities	3,464,852		2,060,300
<b>Cash provided by (used for) investing activities</b>	<b>253,649</b>		<b>(508,669)</b>
<b>Net increase in cash and cash equivalents</b>	<b>709,344</b>		<b>203,436</b>
Cash and cash equivalents, beginning of year	888,842		685,406
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,598,186</b>	<b>\$</b>	<b>888,842</b>

See independent auditors' report.  
The accompanying notes are an integral part of the financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Community Volunteers in Medicine (“CVIM”) is a non-profit community based organization developed to understand and serve the primary health care needs of the uninsured and the underinsured population of Chester County by providing medical and dental services. CVIM is a Pennsylvania non-profit corporation and is exempt from federal and state income taxes.

**Public Support and Revenue**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Contributions are generally available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Unconditional promises to give are recorded as received and are recorded at the present value of their net realizable value, using interest rates applicable to the years in which the promises are received to discount the amounts. Amortization of the discounts is included in contribution revenue. CVIM uses an allowance method to determine uncollectible promises receivable. The allowance is based on prior years’ experience and management’s analysis of specific promises made. Voluntary designations of net assets by the governing board of CVIM (such as a board-designated endowment) are considered to be unrestricted since the designations are voluntary and may be reversed by the governing board at any time.

Contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Donated drugs, laboratory testing, and supplies are recorded at their fair values in the period received as contributions with offsetting expenses. CVIM's policy is to record drugs acquired for patients through patient assistance programs as contributions with offsetting expenses. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received as contributions with offsetting expenses. In addition, CVIM receives services of unpaid officers, board members, and volunteers. The value of these services is not reflected in the accompanying financial statements as these services do not meet the criteria for recognition as contributed services. Non-cash contributions reflected in the accompanying statement of activities exclude contributions of donated publicly traded stock. These contributions are recorded in the same manner as cash contributions, as it is CVIM’s policy to sell donated publicly traded stock upon receipt.

**Cash and Cash Equivalents**

CVIM considers all highly liquid investments with a maturity of twelve months or less when purchased to be cash equivalents.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Concentrations of Credit Risk**

CVIM maintains cash equivalent and money market accounts at various financial institutions. The operating checking account is insured by the National Credit Union Administration (“NCUA”) up to \$250,000. The other checking account, money market account and certificate of deposit, are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. The amount in excess of insured limits was \$616,403 and \$498,489 as of June 30, 2013 and 2012, respectively.

As of January 1, 2013, the Dodd-Frank Insurance Provision for non-interest bearing accounts expired. The FDIC insurance subsequently reverted back to the \$250,000 maximum per account owner at each separately insured depository institution on the combined total of interest and non-interest bearing accounts.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Fixed Assets**

Property and equipment are recorded at cost or, if donated, at the fair market value on the date of donation. Furniture and equipment are depreciated using a straight-line method. Leasehold improvements are depreciated over the term of the lease. Expenditures for major renewals and betterments that extend the useful life of property and equipment are capitalized. Repairs and maintenance are charged to expense as incurred. CVIM’s capitalization policy is to capitalize expenditures incurred in excess of \$1,500.

**Fair Value Measurements**

CVIM follows accounting guidance regarding fair value measurements. The guidance defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

**Functional Allocation of Expenses**

The costs of providing CVIM’s program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and supporting services benefited.

**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. Accordingly, actual results could differ from those estimates.

**Community Volunteers in Medicine**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Reclassification**

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

**NOTE 2 – UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at June 30, 2013 and 2012 are as follows:

	2013		2012	
Unrestricted promises to give	\$	885,226	\$	613,613
Gross unconditional promises to give		885,226		613,613
Less unamortized discount		(127,439)		(31,035)
Less allowances for uncollectible promises		(14,896)		(10,534)
Net unconditional promises to give	\$	742,891	\$	572,044

	2013		2012	
Amounts due in:				
Less than one year	\$	264,900	\$	366,985
One to five years		605,914		246,628
Five to ten years		14,412		-
Gross unconditional promises to give	\$	885,226	\$	613,613

**NOTE 3 – INVESTMENTS**

CVIM's investments are held by a community foundation, which pools various non-profit organizations' funds together for investment purposes, and by a trust company which manages the investments.

Investments at June 30, 2013 and 2012 are summarized as follows:

	2013		2012	
	Cost	Carrying Value (Fair Value)	Cost	Carrying Value (Fair Value)
Trust company - fixed income	\$ 3,985,161	\$ 4,111,360	\$ 3,871,366	\$ 4,114,393
Trust company - equity securities	5,595,802	7,204,668	5,663,052	6,673,409
Community foundation - pooled investments	268,343	236,327	295,163	254,283
Total investments	\$ 9,849,306	\$ 11,552,355	\$ 9,829,581	\$ 11,042,085

**Community Volunteers in Medicine**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

**NOTE 3 – INVESTMENTS (continued)**

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended June 30, 2013 and 2012:

	2013	2012
Interest and dividends	\$ 373,029	\$ 344,367
Net realized and unrealized gain (loss)	781,973	(324,719)
<b>Total investment income</b>	<b>\$ 1,155,002</b>	<b>\$ 19,648</b>

Investment expense, included in operating expenses on the statements of functional expenses, for the years ended June 30, 2013 and 2012 was \$74,788 and \$72,434, respectively.

The following are major categories of investments measured at estimated fair value as of June 30, 2013 and 2012:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>June 30, 2013</b>		
Marketable equity securities	\$ 7,204,668	\$ -
Corporate and government bonds	4,111,360	-
Community foundation - pooled investments	-	236,327
<b>Total investments</b>	<b>\$ 11,316,028</b>	<b>\$ 236,327</b>
<b>June 30, 2012</b>		
Marketable equity securities	\$ 6,673,409	\$ -
Corporate and government bonds	4,114,393	-
Community foundation - pooled investments	-	254,283
<b>Total investments</b>	<b>\$ 10,787,802</b>	<b>\$ 254,283</b>

**Community Volunteers in Medicine**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

**NOTE 4 – PROPERTY AND EQUIPMENT**

Following is a summary of property and equipment as of:

**June 30, 2013**

	Useful Lives (Years)	Cost	Accumulated Depreciation	Net Property and Equipment
Furniture and fixtures	5-7 yrs	\$ 291,963	\$ 203,491	\$ 88,472
Medical and dental equipment	5-7 yrs	278,350	225,542	52,808
Leasehold improvements	2-10 yrs	773,471	589,628	183,843
<b>Total property and equipment</b>		<b>\$ 1,343,784</b>	<b>\$ 1,018,661</b>	<b>\$ 325,123</b>

**June 30, 2012**

	Useful Lives (Years)	Cost	Accumulated Depreciation	Net Property and Equipment
Furniture and fixtures	5-7 yrs	\$ 286,565	\$ 186,780	\$ 99,785
Medical and dental equipment	5-7 yrs	273,937	214,707	59,230
Leasehold improvements	2-10 yrs	773,471	522,703	250,768
<b>Total property and equipment</b>		<b>\$ 1,333,973</b>	<b>\$ 924,190</b>	<b>\$ 409,783</b>

Depreciation for the years ended June 30, 2013 and 2012 was \$102,721 and \$105,441, respectively.

**NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes or periods at June 30, 2013 and 2012:

	2013	2012
Restricted as to period:		
Periods after June 30, 2013 and 2012, respectively	\$ 792,912	\$ 572,044
Restricted as to purpose:		
Purchase of medical, dental, and vision supplies, reimbursement of laboratory fees and tests	158,916	101,494
<b>Total temporarily restricted net assets</b>	<b>\$ 951,828</b>	<b>\$ 673,538</b>

For the years ending June 30, 2013 and 2012, added to temporarily restricted net assets were gross promises to give in the amount of \$638,000 and 141,600, respectively.

**NOTE 6 – PERMANENTLY RESTRICTED NET ASSETS**

CVIM’s Lawrence dental endowment consists of funds established to support the operating, program and capital needs of their dental program. Contributions to the endowment are subject to donor restrictions that stipulate the original principal to be held and invested indefinitely. CVIM’s Hattersley endowment consists of funds established to support the general operating, program and capital needs of CVIM. Contributions to the endowment are subject to donor restrictions that stipulate the original principal to be held and invested indefinitely.

CVIM requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result, CVIM classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. CVIM considers various factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

CVIM has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and provide current income. Endowment assets are invested in fixed income securities. CVIM’s objective is to provide capital for their medical programs, preserve endowment assets without subjecting them to substantial risk, and provide additional growth through new gifts.

The following net assets were permanently restricted at June 30, 2013 and 2012:

	<b>2013</b>	<b>2012</b>
Lawrence dental endowment	\$ <b>139,177</b>	\$ 139,177
Hattersley endowment	<b>376,791</b>	376,791
<b>Total permanently restricted net assets</b>	<b>\$ 515,968</b>	<b>\$ 515,968</b>

**NOTE 7 – NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by satisfying the restricted purpose during the years ended June 30, 2013 and 2012:

	<b>2013</b>	<b>2012</b>
Purpose restrictions satisfied:		
Purchase of medical, dental, and vision supplies, reimbursement of laboratory fees and tests	\$ <b>52,073</b>	\$ 81,842
Time restrictions satisfied on promises to give	<b>429,365</b>	469,259
<b>Total net assets released from restrictions</b>	<b>\$ 481,438</b>	<b>\$ 551,101</b>

**NOTE 8 – RETIREMENT PLAN**

CVIM has a 401(k) discretionary profit sharing plan covering substantially all employees with 1,000 hours or more of service, as defined in the plan document. CVIM's plan contributions were \$47,386 and \$43,220 for the years ended June 30, 2013 and 2012, respectively.

**NOTE 9 – LEASING ARRANGEMENTS**

CVIM leases its operating facility at a monthly base rent of \$7,137. The lease expires on June 30, 2016 (see Note 11). Rent expense was \$85,639 and \$85,639 for the years ended June 30, 2013 and 2012, respectively.

The future minimum rent payments required under this lease as of June 30, 2013 is as follows:

2014	\$	85,639
2015		85,639
2016		85,639
<hr/>		
Total future minimum rent payments	\$	256,917

**NOTE 10 – SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

CVIM receives significant contributions of medical and professional services, prescription drugs, laboratory testing and supplies. Non-cash contributions and offsetting expenses have been recognized in the accompanying financial statements for the years ended June 30, 2013 and 2012, as follows:

	2013	2012
Donated services		
Medical, dental and other professional services	\$ 1,287,270	\$ 1,257,420
Medical consultant fees and tests	710,650	695,604
Computer services	9,100	27,285
Transportation services	-	12,127
Donated materials		
Prescription drugs and medical and dental supplies	2,239,046	2,065,281
<hr/>		
Total non-cash contributions	\$ 4,246,066	\$ 4,057,717

For the years ended June 30, 2013 and 2012, CVIM received and subsequently sold donated securities in the amount of \$225,434 and \$335,322, respectively.

**NOTE 11 – SUBSEQUENT EVENTS**

On July 25, 2013, the board of directors authorized the purchase of a building for CVIM to occupy, subject to the negotiation of a definitive asset purchase agreement and completion of due diligence. Should this transaction be consummated, the leasing arrangement for the current operating facility will change. An estimate of the financial effect of the potential building purchase cannot be made at this time.

CVIM has evaluated subsequent events through September 17, 2013, which is the date the financial statements were available to be issued.

## **Supplementary Financial Information**

**Community Volunteers in Medicine  
Statements of Functional Expenses  
Years Ended June 30, 2013 and 2012**

	<u>Program Services</u>	<u>Supporting Services</u>			<b>2013 Total</b>	2012 Total
	Medical and Dental Services	Management and General	Fundraising	Total Supporting Services		
Salaries, payroll taxes and benefits	\$ 1,483,865	\$ 140,891	\$ 166,861	\$ 307,752	\$ 1,791,617	\$ 1,569,198
Contract services and tests	892,650	-	25,494	25,494	918,144	864,008
Professional services	1,166,630	27,300	-	27,300	1,193,930	1,174,485
Medical and dental supplies	86,582	-	-	-	86,582	74,689
Prescription drugs and supplies	2,262,175	-	-	-	2,262,175	2,041,868
Insurance	29,442	3,525	-	3,525	32,967	32,872
Rent and occupancy	111,009	8,024	14,711	22,735	133,744	134,760
Operating expenses	75,340	101,417	33,358	134,775	210,115	224,721
Fundraising event expense	-	-	72,092	72,092	72,092	97,146
Depreciation	85,257	6,164	11,300	17,464	102,721	105,441
<b>Total expenses</b>	<b>\$ 6,192,950</b>	<b>\$ 287,321</b>	<b>\$ 323,816</b>	<b>\$ 611,137</b>	<b>\$ 6,804,087</b>	<b>\$ 6,319,188</b>

See independent auditors' report.