The American Board of Internal Medicine and Affiliated Foundation

Consolidated Financial Report
June 30, 2015

Contents

Independent Auditor's Report
on the Financial Statements

To the Audit Committee
The American Board of Internal Medicine
and Affiliated Foundation
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The American Board of Internal Medicine and Affiliated Foundation which comprise the consolidated statements of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The American Board of Internal Medicine and Affiliated Foundation as of June 30, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidating and other supplementary information 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 audits 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 consolidated financial statements or to the consolidated 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.

RSM US LLP

Blue Bell, Pennsylvania
October 30, 2015

The American Board of Internal Medicine and Affiliated Foundation

Consolidated Statements of Financial Position
June 30, 2015 and 2014

	2015	2014
Assets		
Cash and Cash Equivalents	$ 42,165,020	$ 48,477,278
Accounts Receivable, Net	927,603	991,198
Grants Receivable	3,765,046	1,179,356
Investments, at Fair Value	77,528,449	79,977,106
Investments, at Fair Value, Deferred Compensation Plan	875,260	763,487
Prepaid Expenses	1,369,116	1,290,807
Property, Net	3,166,353	3,201,499
Furniture and Equipment, Net	2,841,291	2,430,781
Total assets	$ 132,638,138	$ 138,311,512
Liabilities and Net Assets		
Liabilities		
Accounts and grants payable and accrued expenses	$ 5,593,063	$ 2,957,646
Accrued compensation	4,619,596	4,170,820
Deferred revenue		
Certifying examinations	31,465,224	31,163,611
Maintenance of certification	56,241,046	62,911,603
Deferred compensation	977,629	894,207
Deferred rents	7,129,372	4,690,782
Total liabilities	106,025,930	106,788,669
Commitments and Contingencies (Note 8)		
Net Assets		
Unrestricted	22,847,163	30,343,487
Temporarily restricted	3,765,045	1,179,356
Total net assets	26,612,208	31,522,843
Total liabilities and net assets	$ 132,638,138	$ 138,311,512

See Notes to Consolidated Financial Statements.

The American Board of Internal Medicine and Affiliated Foundation

Consolidated Statements of Activities
Years Ended June 30, 2015 and 2014

	2015	2014
Changes in Unrestricted Net Assets		
Revenues and gains		
Certification exams		
Internal medicine	**$ 13,559,912**	$ 14,443,865
Subspecialties and other	**16,680,895**	15,756,437
Credit card fees	**(624,423)**	(825,475)
	29,616,384	29,374,827
Maintenance of certification program		
Credentialing	**168,758**	1,836,887
Examination	**8,750,379**	12,970,284
Program fee	**18,633,837**	9,798,713
Credit card fees	**(576,390)**	(672,562)
	26,976,584	23,933,322
Other revenue		
Investment income, net	**133,588**	9,338,946
Other income	**744,924**	956,881
	878,512	10,295,827
Total unrestricted revenues and gains	**57,471,480**	63,603,976
Net assets released from restrictions, satisfaction of program restrictions	**1,636,778**	415,175
Total unrestricted revenues, gains and other support	**59,108,258**	64,019,151
Operating Expenses		
Operating expenses	**66,615,397**	59,217,924
(Gain) loss on disposal and abandonment of furniture and equipment	**(10,815)**	3,589,293
	66,604,582	62,807,217
Change in unrestricted net assets	**(7,496,324)**	1,211,934
Changes in Temporarily Restricted Net Assets		
Grant revenue	**4,222,467**	34,755
Net assets released from restrictions	**(1,636,778)**	(415,175)
Change in temporarily restricted net assets	**2,585,689**	(380,420)
Change in net assets	**(4,910,635)**	831,514
Net Assets, Beginning	**31,522,843**	30,691,329
Net Assets, Ending	**$ 26,612,208**	$ 31,522,843

See Notes to Consolidated Financial Statements.

The American Board of Internal Medicine and Affiliated Foundation

Consolidated Statements of Cash Flows
Years Ended June 30, 2015 and 2014

	2015	2014
Cash Flows From Operating Activities		
Change in net assets	$ (4,910,635)	$ 831,514
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Reinvested dividends	(2,384,065)	(2,899,458)
Unrealized (gain) loss on investments, net	4,460,199	(2,601,627)
Realized loss on sale of investments, net	404,632	8,928
(Gain) loss on abandonment and disposal of furniture and equipment	(10,815)	3,589,293
Depreciation and amortization	1,805,539	1,578,801
Deferred compensation expense (benefit)	(30,544)	127,156
Deferred compensation interest adjustment	2,193	3,517
Deferred rents	2,438,590	1,546,787
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	63,595	(585,707)
Grants receivable	(2,585,690)	380,420
Prepaid expenses	(78,309)	(85,502)
Increase (decrease) in:		
Accounts and grants payable and accrued expenses	2,635,417	(237,060)
Accrued compensation	448,776	304,495
Deferred revenue	(6,368,944)	19,988,501
Deferred compensation	-	(504,961)
Net cash provided by (used in) operating activities	(4,110,061)	21,445,097
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	14,529,474	3,698,624
Purchases of investments	(14,561,583)	(64,433)
Purchases of property, furniture and equipment	(2,170,088)	(1,455,851)
Net cash provided by (used in) investing activities	(2,202,197)	2,178,340
Net increase (decrease) in cash and cash equivalents	(6,312,258)	23,623,437
Cash and Cash Equivalents, Beginning	48,477,278	24,853,841
Cash and Cash Equivalents, Ending	$ 42,165,020	$ 48,477,278

See Notes to Consolidated Financial Statements.

Note 1. Organization and Summary of Significant Accounting Policies

Organization: The American Board of Internal Medicine (ABIM) is a not-for-profit organization. The primary purpose of ABIM is the establishment and maintenance of standards of training, education and qualification of physicians practicing internal medicine within the United States. The assets of ABIM are generally available for operating purposes, with no restrictions by external donors, grantors or agencies.

The ABIM Foundation (the Foundation) is a not-for-profit organization organized exclusively for charitable, educational and scientific purposes in order to benefit, perform the functions of, and carry out the purposes of ABIM and any other similar organizations operating in the United States. The assets of the Foundation are available for general operating purposes, with no significant restrictions by external donors, grantors or agencies.

The consolidated entities are collectively referred to as the Organization in these financial statements. A summary of the Organization's significant accounting policies is as follows:

Principles of consolidation: The accounts of ABIM and the Foundation are included in the consolidated financial statements based upon ABIM's control and economic interest factors with the Foundation. All material intercompany balances and transactions have been eliminated.

Basis of accounting: Revenue and expenses are recognized using the accrual basis of accounting.

Use of estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents equals fair value.

Accounts receivable: Accounts receivable are stated at their estimated net realizable values. Accounts receivable do not bear interest. It is the Organization's policy to provide an allowance for doubtful accounts on its accounts receivable. The allowance is based on management's estimate of amounts that may not be collected. Delinquency of accounts receivable is generally not a significant issue because most accounts receivable relate to the Maintenance of Certification (MOC) program. Management is generally able to collect amounts due or restrict a candidate from completing the MOC program in the event of non-payment. When management determines an account is not collectible it charges such write-off to either the allowance account when required or directly to bad debts expense. At June 30, 2015 and 2014, accounts receivable is recorded net of an allowance for doubtful accounts of $20,000.

Investment valuation and investment income recognition: Investments are stated at fair value, measured as described in Note 4. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Property, furniture and equipment, and depreciation and amortization: The Organization generally capitalizes eligible expenditures greater than $1,000. The condominium is recorded at cost and is being depreciated over 25 years using the straight-line method. Leasehold improvements are stated at cost and are amortized over the shorter of their estimated useful life or the remaining lease term using the straight-line method. Furniture and equipment, including capitalized software, are stated at cost and are depreciated over five to seven years using the straight-line method.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Impairment of long lived assets: The Organization reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use and eventual disposition of the assets is less than its carrying amount. Impairment, if any, is assessed using discounted cash flows. No impairments of long-lived assets placed in service have occurred to date. See Note 6 for a description of certain costs abandoned prior to being placed in service.

Net assets classification: The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

> *Unrestricted net assets:* Unrestricted net assets are the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.
>
> *Temporarily restricted net assets:* Temporarily restricted net assets result from grants whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes.
>
> *Permanently restricted net assets:* Permanently restricted net assets result from contributions whose use is limited by donor-imposed stipulations that neither expire with the passage of time nor are otherwise removed by the Organization's actions. The Organization does not have any permanently restricted contributions.

Revenue recognition: The Organization receives revenues from the administration of its certification exams and the MOC program.

> *Certification exams:* Revenues from certification exams for internal medicine, subspecialties and other disciplines are recognized when the applicable exam is administered. Deferred revenue, certifying examinations represents amounts received in advance of a scheduled certification exam date.
>
> *MOC program:* Prior to January 1, 2014, the major stages of the MOC process consisted of self-study modules and the related final exam. The MOC program was a ten year program which required diplomates to complete certain requirements by the end of the ten year registration period. Diplomates paid an amount which consisted of a credentialing fee, a self-study module (SEP) fee and a secure examination fee. Diplomates who entered the MOC program prior to January 1, 2014 have ten years to complete the program and have access to SEP's during this period. The Organization recognized credentialing fees as revenue upon a diplomate entering the MOC program. SEP fees for diplomates entering the program prior to January 1, 2014 are recognized as program fee revenue over 120 months on a straight-line basis from the date the diplomate entered the MOC program. Secure examination revenues are recognized upon the diplomates sitting for an exam, regardless of the result. Diplomates are required to pay a fee each time they sit for a secure examination. Secure examination fees paid prior to January 1, 2014 that are not utilized within ten years of entering the MOC program are forfeited. Deferred revenue, maintenance of certification includes amounts received prior to January 1, 2014 in the approximate amount of $30,504,000 and $39,941,000 at June 30, 2015 and 2014, respectively, the components of which will be recognized as examination and program fee revenue in accordance with the preceding policies.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

On January 1, 2014, the Organization revised the nature of the MOC program. The MOC program is now a continuous program based on a calendar year. Upon entering the MOC program, a diplomate must actively maintain their certification by completing certain requirements. These requirements are expected to be completed every two, five and ten years. Candidates choose to pay annually or to prepay for ten years for access to the program. The single program fee includes access to all MOC program products and one secure examination. The MOC program fee for annual registrations is recognized straight-line through December 31 of the year registered. The MOC program fee for diplomates who have prepaid ten years of access is recognized straight-line through December 31 of the tenth year. Deferred revenue, maintenance of certification includes amounts received after January 1, 2014 in the approximate amount of $25,737,000 and $22,971,000 at June 30, 2015 and 2014, respectively, which will be recognized as program fee revenue on a straight-line basis over the registered term of one or ten years.

Grant revenue: Grant revenue consists of unconditional promises to give to the Organization. Grant revenue arising from unconditional promises to give which are expected to be received in approximately one year are recorded at their net realizable value. Grant revenue arising from unconditional promises to give which are expected to be realized in excess of one year are recorded at the present value of the net realizable value using reasonable cost of capital interest rates applicable to the years in which the promises are to be realized.

Grants are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions with donor-imposed restrictions which are completely met in the same fiscal year are reported as temporarily restricted support with the associated amount reported as net assets released from restrictions.

Other income: Other income consists primarily of other exam related service fees like shared exam data, and candidate exam analysis and rescoring. These fees are recorded as other income as the service is performed.

Advertising: Advertising costs are expensed as incurred. Advertising expense was approximately $46,000 in 2015 and $74,000 in 2014.

Reclassifications: Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 presentation, with no effect on change in net assets or net assets.

Credit and market risk: Credit risk arises from the potential for an issuer or the other counterparty to default on its contractual obligation. Market risk is the risk that the market value of an investment will fluctuate as a result of changes in market price. Financial instruments which potentially subject the Organization to concentrations of credit and market risk consist principally of cash and cash equivalents and investments. The Organization regularly maintains amounts on deposit in excess of insured limits. The Organization believes it limits its credit exposure by placing its cash and cash equivalents with what management believes to be high credit quality financial institutions. Investments include the risk that market value will change. The Organization mitigates this risk by the adoption and execution of what management believes to be prudent investment policies and procedures.

Due to the level or risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Recently issued accounting pronouncements: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under existing U.S. GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each performance obligation. ASU 2014-09 will be effective for annual reporting periods beginning after December 15, 2017 using either of two methods: *(a)* retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or *(b)* retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined in ASU 2014-09. The Company has not yet selected a transition method and is currently evaluating the impact of the pending adoption of ASU 2014-09 on the consolidated financial statements.

In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606)*. The amendments in this Update defer the effective date of ASU 2014-09. Public business entities, certain not-for-profit entities, and certain employee benefit plans should apply the guidance in ASU 2014-09 to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. All other entities should apply the guidance in ASU 2014-09 to annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. Earlier application is permitted only as of an annual reporting period beginning after December 15, 2016, including interim reporting periods within that reporting period, or an annual reporting period beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the annual reporting period in which an entity first applies the guidance in update 2014-09.

In May 2015, the FASB issued ASU No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. The amendments in this update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. However, sufficient information must be provided to permit reconciliation of the fair value of assets categorized within the fair value hierarchy to the amounts presented in the statement of financial position. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2015. For all other entities, the amendments in this update are effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. Upon adoption, the amendments shall be applied retrospectively to all periods presented. The Organization adopted the update for the year ended June 30, 2015 and the update was applied retrospectively to June 30, 2014. The impact of adopting this update is reflected in the consolidated financial statements.

Subsequent events: The Organization has evaluated its subsequent events (events occurring after June 30, 2015) through October 30, 2015, which represents the date the financial statements were available to be issued, and determined that there were no material subsequent events requiring adjustment to, or disclosure in, the consolidated financial statements for the year ended June 30, 2015.

Note 2. Income Taxes

The Internal Revenue Service has granted the Organization, which is not a private foundation, exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accounting principles generally accepted in the United States of America requires the Organization to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken any uncertain tax positions that more likely than not would not be sustained upon examination by a tax authority. Management evaluated the Organization's tax positions and concluded that the Organization had maintained its tax exempt status and has taken no uncertain tax positions that require adjustments to the financial statements. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2011.

Note 3. Investments

The investment portfolio consists of the following at June 30:

	2015	
Description	Fair Value	Cost
Mutual funds		
Short Term Corporate Bond Fund	$ 1,891,175	$ 1,917,028
TIFF Multi-Asset Fund	38,010,389	38,658,635
Other	127,667	122,790
Investment partnerships		
TIFF Keystone Fund, L.P.	37,499,218	35,355,590
	77,528,449	76,054,043
Money market funds	12,425,044	12,425,044
	89,953,493	88,479,087
Less money market funds reported as cash	12,425,044	12,425,044
	$ 77,528,449	$ 76,054,043

	2014	
Description	Fair Value	Cost
Mutual funds		
Short Term Corporate Bond Fund	$ 1,870,224	$ 1,807,282
TIFF Multi-Asset Fund	54,372,999	51,313,959
Other	67,950	65,062
Investment partnerships		
TIFF Keystone Fund, L.P.	23,665,933	20,794,003
	79,977,106	73,980,306
Money market funds	10,122,883	10,122,883
	90,099,989	84,103,189
Less money market funds reported as cash	10,122,883	10,122,883
	$ 79,977,106	$ 73,980,306

Note 3. Investments (Continued)

Investment income, net, includes the following:

	2015	2014
Realized loss on sale of investments, net	$ (404,632)	$ (8,928)
Unrealized gain (loss) on investments, net	(4,460,199)	2,601,627
Interest and dividends	4,998,419	6,746,247
	$ 133,588	$ 9,338,946

Investments attributable to deferred compensation invested in various participant directed investments are as follows:

	2015	2014
Balance, beginning	$ 763,487	$ 590,056
Employee deferrals	66,667	93,269
Employee withdrawals	-	(30,000)
Increase in fair value	45,106	110,162
Balance, ending	$ 875,260	$ 763,487

Note 4. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 4. Fair Value Measurements (Continued)

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for instruments measured at fair value. There have been no changes in the methodologies used during the year ended June 30, 2015.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. Certain mutual funds held are deemed to be actively traded. However, the Organization has an investment in the Investment Fund for Foundation Multi-Asset Fund. Since the Organization holds units in the fund, and because the units are not traded on an open exchange, they are valued at NAV per unit based on quoted market prices of underlying investments. The NAV is used as a practical expedient to estimating fair value.

Pooled separate accounts: Valued at NAV per unit based on quoted market prices of underlying investments. The NAV is used as a practical expedient to estimating fair value. The NAV is based upon the fair value of the underlying investments comprising the pooled separate accounts less their liabilities. This practical expedient is not used when it is determined to be probable that the Organization will sell the investment for an amount different than the reported NAV.

Fixed annuity contracts: Fixed annuity contracts are valued at fair value by the custodian by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. As transactions occur at contract value, fair value is determined annually for financial statement purposes only. In determining the reasonableness of the methodology, management evaluates a variety of factors including review of existing contracts, economic conditions, industry and market developments, and overall credit ratings. Certain unobservable inputs are assessed through review of contract terms (for example, duration or payout date) while others are substantiated utilizing available market data (for example, swap curve rate).

Investment partnerships: Investment partnerships are not traded on an open exchange and the fair values of these funds are not readily determinable. These investments are valued at net asset value based on the applicable percentage ownership of the underlying funds' net assets as of the measurement date, as determined by the Organization. In determining fair value of the underlying funds' net assets, the Organization utilizes valuations provided by the underlying investment funds. The underlying investment funds value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the underlying investment funds, which may include private placements and other securities for which prices are not readily available, are determined by the general partner or sponsor of the respective alternative investment fund and may not reflect amounts that could be realized upon immediate sale, or amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

Note 4. Fair Value Measurements (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets and liabilities measured at fair value on a recurring basis as of June 30, 2015 and 2014:

	Assets at Fair Value at June 30, 2015			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds:				
Bond funds	$ 1,891,175	$ -	$ -	$ 1,891,175
Equity funds	127,667	-	-	127,667
Fixed annuity contracts				
TIAA Traditional Annuity	-	-	116,885	116,885
	$ 2,018,842	$ -	$ 116,885	2,135,727
Investments measured at NAV (a)				76,267,982
				$ 78,403,709
Liabilities				
457(b) plan liability	$ -	$ 758,375	$ 116,885	$ 875,260

	Assets at Fair Value at June 30, 2014			
	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds:				
Bond funds	$ 1,870,224	$ -	$ -	$ 1,870,224
Government obligations funds	67,950	-	-	67,950
Fixed annuity contracts				
TIAA Traditional Annuity	-	-	112,060	112,060
	$ 1,938,174	$ -	$ 112,060	2,050,234
Investments measured at NAV (a)				78,690,359
				$ 80,740,593
Liabilities				
457(b) plan liability	$ -	$ 651,427	$ 112,060	$ 763,487

(a) In accordance with ASU 2015-07, Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position.

Note 4. Fair Value Measurements (Continued)

The Organization assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Organization's accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. There were no significant transfers among levels 1, 2, and 3 during the year.

The table below sets forth a summary of changes in the fair value of ABIM's level 3 assets for the years ended June 30, 2015 and 2014:

	Fixed Annuity Contracts
Balance, July 1, 2013	$ 104,010
Purchases and issuances	8,050
Sales and settlements	-
Unrealized appreciation	-
Balance, June 30, 2014	112,060
Purchases and issuances	1,010
Sales and settlements	-
Unrealized appreciation	3,815
Balance, June 30, 2015	$ 116,885

The total change in unrealized gain (loss) included in the consolidated statements of activities during the years ended June 30, 2015 and 2014, attributable to level 3 investments held at June 30, 2015 and 2014, approximated the net unrealized gain (loss), by major class, in the preceding rollforward of changes in level 3 assets.

The following tables set forth a summary of the fair value of investments in certain entities that calculate net asset value per share (or its equivalent):

		Assets at Fair Value at June 30, 2015			
Investments		Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Pooled separate accounts					
Equity funds	(a)	$ 604,694	$ -	Immediate	None
Bond funds	(b)	42,583	-	Immediate	None
Real estate funds	(c)	111,098	-	One per calendar quarter	None
Mutual funds					
TIFF Multi-Asset Fund	(d)	38,010,389	-	Immediate	Up to 7 days
Investment partnerships					
TIFF Keystone Fund, L.P.	(e)	37,499,218	-	Quarterly	180 days
		$ 76,267,982			

Note 4. Fair Value Measurements (Continued)

		Assets at Fair Value at June 30, 2014			
Investments		Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Pooled separate accounts					
Equity funds	(a)	$ 535,196	$ -	Immediate	None
Bond funds	(b)	41,514	-	Immediate	None
Real estate funds	(c)	74,717	-	One per calendar quarter	None
Mutual funds					
TIFF Multi-Asset Fund	(d)	54,372,999	-	Immediate	Up to 7 days
Investment partnerships					
TIFF Keystone Fund, L.P.	(e)	23,665,933	-	Quarterly	180 days
		$ 78,690,359			

(a) Investments in this category seek a favorable long-term rate of return through capital appreciation and investment income by investing primarily in a broadly diversified portfolio of foreign and domestic common stocks.

(b) Investments in this category seek high current income consistent with maintaining liquidity and preserving capital.

(c) Investments in this category seek favorable long-term returns primarily through rental income and appreciation of real estate investments.

(d) The fund seeks to achieve a total return that, over a majority of market cycles, exceeds the Consumer Price Index plus 5% per annum by employing a globally diversified portfolio. The fund rebalances segment weights in a manner designed to exploit capital markets' mean-reverting tendencies to the maximum extent in light of trading costs.

(e) The fund's investment objective is to maximize annualized returns net of all costs over rolling 10-year periods while adhering to the Fund's risk parameters. The Fund expects to invest globally in multiple asset classes and in both publicly traded and privately placed securities, properties, and other assets, either directly or through investment funds, including private equity funds, private realty funds, natural resources funds, and hedge funds.

Note 5. Property

Property, net, consists of the following at June 30:

	2015	2014
Condominium	$ 2,356,268	$ 2,356,268
Less accumulated depreciation	(706,880)	(612,630)
	1,649,388	1,743,638
Leasehold improvements	4,951,386	4,662,488
Less accumulated amortization	(3,434,421)	(3,204,627)
	1,516,965	1,457,861
	$ 3,166,353	$ 3,201,499

At June 30, 2015, all leasehold improvements have been placed in service.

Note 6. Furniture and Equipment

Furniture and equipment, net, consists of the following at June 30:

	2015	2014
Computer equipment	$ 2,399,289	$ 2,036,909
Computer software	2,741,753	2,242,700
Office furniture	2,573,697	2,422,048
Office equipment	832,863	660,374
Telephone equipment	365,135	365,135
	8,912,737	7,727,166
Less accumulated depreciation	(6,071,446)	(5,296,385)
	$ 2,841,291	$ 2,430,781

Furniture and equipment includes computer software of approximately $427,000 at June 30, 2015 and furniture and equipment of approximately $635,000 at June 30, 2014 which had not yet been placed in service. During 2014, the Organization determined that certain computer hardware and software previously capitalized were no longer suitable for their intended use. Accordingly, the Organization recorded a loss on abandonment of equipment in the approximate amount of $3,589,000.

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets of $3,765,045 and $1,179,356 at June 30, 2015 and 2014, respectively, are available for specific program and project expenses.

Note 8. Commitments and Contingencies

Building lease: The Organization is party to a lease for office space in Philadelphia, Pennsylvania. The lease expires in October 2025 and contains options to extend the lease for three consecutive five-year renewal terms ending in October 2040. Approximate future minimum rental payments are as follows:

Years Ending June 30,		
2016	$	2,502,000
2017		2,553,000
2018		2,604,000
2019		2,655,000
2020		2,705,000
Thereafter		72,287,000
	$	85,306,000

The lease contains scheduled rent increases. Deferred rent includes the accumulated straight-line rent expense calculated in accordance with accounting principles generally accepted in the United States of America in excess of actual cash payments. Rent expense for this lease was approximately $3,246,000 in 2015 and $3,121,000 in 2014.

Equipment leases: The Organization leases copy center and other office equipment under various operating lease agreements. The leases expire at various times through March 2020. Approximate future minimum annual rental payments required under these leases are $393,000.

Rent expense for these leases was approximately $416,000 and $408,000 in 2015 and 2014.

Deferred compensation and employment contract: The Organization entered into an employment agreement with a new key employee effective June 7, 2013. The agreement expires June 30, 2018. The terms of the agreement require the Organization to pay a base salary of at least $568,000 per year plus additional annual incentive bonuses. In accordance with the employee’s agreement, the Organization established an unfunded deferred compensation account on behalf of the employee and is required to credit the account based upon prescribed calculations. The deferred compensation liability includes approximately $130,000 and $131,000 at June 30, 2015 and 2014 attributable to the employment contract with the employee.

The Organization entered into an employment agreement with a key employee effective July 1, 2008. The agreement expired June 30, 2013. The terms of the agreement required the Organization to pay a base salary of approximately $574,000 per year plus additional annual incentive bonuses. In accordance with the employee’s agreement, the Organization established an unfunded deferred compensation account on behalf of the employee and was required to credit the account based upon prescribed calculations. During 2013, the employee elected to defer incentive bonus in the approximate amount of $59,000. The deferred compensation liability, inclusive of deferred annual incentive bonus, included approximately $505,000 at June 30, 2013 attributable to the employment contract with the employee. The employee resigned from employment effective June 30, 2013. The Organization paid the deferred compensation liability to this employee in July 2013.

Note 8. Commitments and Contingencies (Continued)

The Organization has an unfunded deferred compensation plan for certain employees. The plan allows the group of employees to defer compensation on a tax-free basis up to statutory maximum limits. The Organization purchased participant directed investments related to the plan in the approximate amount of $67,000 and $93,000 during the years ended June 30, 2015 and 2014, respectively, and distributed approximately $0 and $30,000 to certain employees during the years ended June 30, 2015 and 2014, respectively. Deferred compensation liability includes approximately $875,000 and $763,000 at June 30, 2015 and 2014, respectively, attributable to the plan.

Pension plan: The Organization makes contributions, on behalf of all employees who meet certain eligibility requirements, to employees' pension retirement accounts established under Section 403(b) of the Internal Revenue Code. The Organization contributes amounts equal to a percentage of participants' eligible salaries. Pension expense, including administrative fees, was approximately $2,495,000 in 2015 and $2,184,000 in 2014.

Litigation: The Organization is involved in various litigation matters deemed to be incidental to the conduct of its operations. In addition, from time to time the Organization determines that certain physicians may not be qualified for certification. The Organization has an internal appeal process through which such physicians may seek review of such determinations. In certain instances, physicians pursuing internal appeals of adverse certification determinations have threatened to bring legal action against the Organization. Although the ultimate outcome of these matters is often unknown, management is of the opinion that any liability that might ensue would not materially affect the Organization's financial position or the results of its activities.

Hosting and licensing agreement: The Organization is party to an agreement with an internet technology provider for the licensing, marketing, distribution, integration, and support of products and services for performance assessment, improvement, and lifelong learning. Services are performed within defined projects, each with distinct terms. At June 30, 2015, the Organization had contractually committed to one project, with required monthly payments of $105,000 through June 30, 2015. Effective July 1, 2015, the required monthly payments are reduced to $41,667 through end of the agreement term. Additional projects may be added during the term of the agreement. The master agreement term ends on September 2, 2018.

The Organization was required to pay a breakup fee if it terminated the agreement without cause prior to the termination date. There is no breakup fee after April 1, 2014.

Note 9. Functional Expenses

The cost of providing program and supporting services are summarized on a functional basis as follows:

	2015	2014
Program services	$ 51,817,186	$ 49,720,254
Supporting services	14,787,396	13,086,963
	$ 66,604,582	$ 62,807,217

The American Board of Internal Medicine and Affiliated Foundation

Consolidating Statement of Financial Position
June 30, 2015

	Foundation	ABIM	Eliminations	Consolidated
Assets				
Cash and Cash Equivalents	$ 767,871	$ 41,397,149	$ -	$ 42,165,020
Accounts Receivable, Net	66,585	861,018	-	927,603
Grants Receivable	3,765,046	381,440	(381,440)	3,765,046
Due (To) From Affiliate	(546,225)	546,225	-	-
Investments, at Fair Value	75,509,606	2,018,843	-	77,528,449
Investments, at Fair Value, Deferred Compensation Plan	-	875,260	-	875,260
Prepaid Expenses	70,232	1,298,884	-	1,369,116
Property, Net	1,649,388	1,516,965	-	3,166,353
Furniture and Equipment, Net	3,225	2,838,066	-	2,841,291
Total assets	$ 81,285,728	$ 51,733,850	$ (381,440)	$ 132,638,138
Liabilities and Net Assets (Deficit)				
Liabilities				
Accounts and grants payable and accrued expenses	$ 3,643,213	$ 2,331,290	$ (381,440)	$ 5,593,063
Accrued compensation	387,327	4,232,269	-	4,619,596
Deferred revenue				
Certifying examinations	-	31,465,224	-	31,465,224
Maintenance of certification	-	56,241,046	-	56,241,046
Deferred compensation	-	977,629	-	977,629
Deferred rents	-	7,129,372	-	7,129,372
Total liabilities	4,030,540	102,376,830	(381,440)	106,025,930
Net Assets (Deficit)				
Unrestricted	73,490,143	(51,024,420)	381,440	22,847,163
Temporarily restricted	3,765,045	381,440	(381,440)	3,765,045
Total net assets (deficit)	77,255,188	(50,642,980)	-	26,612,208
Total liabilities and net assets (deficit)	$ 81,285,728	$ 51,733,850	$ (381,440)	$ 132,638,138

The American Board of Internal Medicine and Affiliated Foundation

Consolidating Statement of Financial Position
June 30, 2014

	Foundation	ABIM	Eliminations	Consolidated
Assets				
Cash and Cash Equivalents	$ 862,562	$ 47,614,716	$ -	$ 48,477,278
Accounts Receivable, Net	1,689	989,509	-	991,198
Grants Receivable	1,179,356	431,189	(431,189)	1,179,356
Due (To) From Affiliate	(489,384)	489,384	-	-
Investments, at Fair Value	78,038,932	1,938,174	-	79,977,106
Investments, at Fair Value, Deferred Compensation Plan	-	763,487	-	763,487
Prepaid Expenses	53,531	1,237,276	-	1,290,807
Property, Net	1,743,638	1,457,861	-	3,201,499
Furniture and Equipment, Net	11,828	2,418,953	-	2,430,781
Total assets	$ 81,402,152	$ 57,340,549	$ (431,189)	$ 138,311,512
Liabilities and Net Assets (Deficit)				
Liabilities				
Accounts and grants payable and accrued expenses	$ 1,652,790	$ 1,736,045	$ (431,189)	$ 2,957,646
Accrued compensation	339,865	3,830,955	-	4,170,820
Deferred revenue				
Certifying examinations	-	31,163,611	-	31,163,611
Maintenance of certification	-	62,911,603	-	62,911,603
Deferred compensation	-	894,207	-	894,207
Deferred rents	-	4,690,782	-	4,690,782
Total liabilities	1,992,655	105,227,203	(431,189)	106,788,669
Net Assets (Deficit)				
Unrestricted	78,230,141	(48,317,843)	431,189	30,343,487
Temporarily restricted	1,179,356	431,189	(431,189)	1,179,356
Total net assets (deficit)	79,409,497	(47,886,654)	-	31,522,843
Total liabilities and net assets (deficit)	$ 81,402,152	$ 57,340,549	$ (431,189)	$ 138,311,512

The American Board of Internal Medicine and Affiliated Foundation

Consolidating Statement of Activities
Year Ended June 30, 2015

	Foundation	ABIM	Eliminations	Consolidated
Changes in Unrestricted Net Assets				
Revenues and gains				
Certification exams				
Internal medicine	$ -	$ 13,559,912	$ -	$ 13,559,912
Subspecialties and other	-	16,680,895	-	16,680,895
Credit card fees	-	(624,423)	-	(624,423)
	-	29,616,384	-	29,616,384
Maintenance of certification program				
Credentialing	-	168,758	-	168,758
Examination	-	8,750,379	-	8,750,379
Program fee	-	18,633,837	-	18,633,837
Credit card fees	-	(576,390)	-	(576,390)
	-	26,976,584	-	26,976,584
Other revenue				
Investment income, net	69,467	64,121	-	133,588
Other income	24,798	720,126	-	744,924
	94,265	784,247	-	878,512
Total unrestricted revenues and gains	94,265	57,377,215	-	57,471,480
Net assets released from restrictions, satisfaction of program restrictions	1,614,311	274,841	(252,374)	1,636,778
Total unrestricted revenues, gains and other support	1,708,576	57,652,056	(252,374)	59,108,258
Operating Expenses				
Operating expenses	6,459,389	60,358,633	(202,625)	66,615,397
Gain on disposal of furniture and equipment	(10,815)	-	-	(10,815)
	6,448,574	60,358,633	(202,625)	66,604,582
Change in unrestricted net assets (deficit)	(4,739,998)	(2,706,577)	(49,749)	(7,496,324)
Changes in Temporarily Restricted Net Assets				
Grant revenue	4,200,000	225,092	(202,625)	4,222,467
Net assets released from restrictions	(1,614,311)	(274,841)	252,374	(1,636,778)
Change in temporarily restricted net assets (deficit)	2,585,689	(49,749)	49,749	2,585,689
Change in net assets (deficit)	(2,154,309)	(2,756,326)	-	(4,910,635)
Net Assets (Deficit), Beginning	79,409,497	(47,886,654)	-	31,522,843
Net Assets (Deficit), Ending	$ 77,255,188	$ (50,642,980)	$ -	$ 26,612,208

The American Board of Internal Medicine and Affiliated Foundation

Consolidating Statement of Activities
Year Ended June 30, 2014

	Foundation	ABIM	Eliminations	Consolidated
Changes in Unrestricted Net Assets				
Revenues and gains				
Certification exams				
Internal medicine	$ -	$ 14,443,865	$ -	$ 14,443,865
Subspecialties and other	-	15,756,437	-	15,756,437
Credit card fees	-	(825,475)	-	(825,475)
	-	29,374,827	-	29,374,827
Maintenance of certification program				
Credentialing	-	1,836,887	-	1,836,887
Examination	-	12,970,284	-	12,970,284
Program fee	-	9,798,713	-	9,798,713
Credit card fees	-	(672,562)	-	(672,562)
	-	23,933,322	-	23,933,322
Other revenue				
Investment income, net	9,230,998	107,948	-	9,338,946
Other income	58,944	897,937	-	956,881
	9,289,942	1,005,885	-	10,295,827
Total unrestricted revenues and gains	9,289,942	54,314,034	-	63,603,976
Net assets released from restrictions, satisfaction of program restrictions	253,371	256,857	(95,053)	415,175
Total unrestricted revenues, gains and other support	9,543,313	54,570,891	(95,053)	64,019,151
Operating Expenses	3,722,164	55,620,760	(125,000)	59,217,924
Loss on Abandonment of Equipment	-	3,589,293	-	3,589,293
	3,722,164	59,210,053	(125,000)	62,807,217
Change in unrestricted net assets (deficit) from operations	5,821,149	(4,639,162)	29,947	1,211,934
Changes in Temporarily Restricted Net Assets				
Grant revenue	-	159,755	(125,000)	34,755
Net assets released from restrictions	(253,371)	(256,857)	95,053	(415,175)
Change in temporarily restricted net assets (deficit)	(253,371)	(97,102)	(29,947)	(380,420)
Change in net assets (deficit)	5,567,778	(4,736,264)	-	831,514
Net Assets (Deficit), Beginning	73,841,719	(43,150,390)	-	30,691,329
Net Assets (Deficit), Ending	$ 79,409,497	$ (47,886,654)	$ -	$ 31,522,843

The American Board of Internal Medicine and Affiliated Foundation

Schedule of ABIM Changes in Unrestricted Net Assets (Deficit) from Operations
Year Ended June 30, 2015

	Total ABIM	Certification	Maintenance of Certification	Other
Changes in Unrestricted Net Assets				
Revenues and gains				
Certification exams				
Internal medicine	$13,559,912	$13,559,912	$ -	$ -
Subspecialties and other	16,680,895	16,680,895	-	-
Credit card fees	(624,423)	(624,423)	-	-
	29,616,384	29,616,384	-	-
Maintenance of certification program				
Credentialing	168,758	-	168,758	-
Examination	8,750,379	-	8,750,379	-
Program fee	18,633,837	-	18,633,837	-
Credit card fees	(576,390)	-	(576,390)	-
	26,976,584	-	26,976,584	-
Other revenue				
Investment income, net	64,121	-	-	64,121
Other income	720,126	-	-	720,126
	784,247	-	-	784,247
Total unrestricted revenues and gains	57,377,215	29,616,384	26,976,584	784,247
Net assets released from restrictions, satisfaction of programs restrictions	274,841	-	-	274,841
Total unrestricted revenues, gains and other support	57,652,056	29,616,384	26,976,584	1,059,088
Operating Expenses				
Staff expenses	30,480,642	-	-	30,480,642
Non staff expenses	29,877,991	6,941,883	6,323,131	16,612,977
	60,358,633	6,941,883	6,323,131	47,093,619
Allocation to program services	-	16,906,579	15,399,644	(32,306,223)
	60,358,633	23,848,462	21,722,775	14,787,396
Changes in unrestricted net assets (deficit) from operations	$ (2,706,577)	$ 5,767,922	$ 5,253,809	$ (13,728,308)

The American Board of Internal Medicine and Affiliated Foundation

Consolidating Schedule of Administrative, Program and Project Expenses
Year Ended June 30, 2015

	ABIM	Foundation	Consolidated
Administrative Expenses			
Board of Directors, including all committee activities	$ 813,752	$ 653,404	$ 1,467,156
Insurance	377,485	15,925	393,410
Legal services, general	1,000,830	16,328	1,017,158
Accounting services	96,145	34,500	130,645
Payroll services	33,530	-	33,530
Marketing	69,520	-	69,520
Condominium	-	45,043	45,043
Consulting, other	4,002,461	1,950	4,004,411
Publications and subscriptions	225,041	431	225,472
Professional activities	21,107	-	21,107
Educational activities	23,389	-	23,389
Postage	40,536	-	40,536
Printing	9,368	-	9,368
Foundation activities	238,934	-	238,934
Computer services	710,577	-	710,577
Other	83,991	-	83,991
	7,746,666	767,581	8,514,247
Program and Project Expenses	2,555,783	3,555,865	6,111,648
	$ 10,302,449	$ 4,323,446	$ 14,625,895

The American Board of Internal Medicine and Affiliated Foundation

Consolidating Schedule of Staff Expenses
Year Ended June 30, 2015

	ABIM	Foundation	Consolidated
Salaries			
Regular	$ 22,044,283	$ 1,496,448	$ 23,540,731
Overtime	93,760	-	93,760
	22,138,043	1,496,448	23,634,491
Benefits			
Payroll taxes	1,592,861	87,302	1,680,163
Insurance	3,292,174	170,809	3,462,983
Pension	2,299,380	159,944	2,459,324
Tuition reimbursement	55,453	-	55,453
Public transportation costs	197,545	9,360	206,905
Parking	50,278	164	50,442
	7,487,691	427,579	7,915,270
Other Staff Expenses			
Recruiting and employment agency fees	325,158	-	325,158
Temporary help	70,553	1,722	72,275
Meals and lodging	130,118	1,304	131,422
Education	305,942	-	305,942
Other	23,137	1,505	24,642
	854,908	4,531	859,439
	$ 30,480,642	$ 1,928,558	$ 32,409,200

The American Board of Internal Medicine and Affiliated Foundation

Consolidating Schedule of Office Expenses
Year Ended June 30, 2015

	ABIM	Foundation	Consolidated
Office Expenses			
Rent	$ 3,171,557	$ 74,936	$ 3,246,493
Office maintenance	40,823	380	41,203
Office equipment	199,035	-	199,035
Office supplies	147,822	507	148,329
Office meetings	15,998	-	15,998
Duplicating	243,493	-	243,493
Telephone	142,211	-	142,211
Intranet/on-line services	129,483	-	129,483
Stationery and printing	300,649	8	300,657
Courier/mailings	21,527	8,120	29,647
Cleaning	106,097	-	106,097
Depreciation and amortization	1,702,234	103,304	1,805,538
Miscellaneous services	3,627	-	3,627
Payroll services	35,548	-	35,548
Electricity	29,837	6,591	36,428
Travel	-	1,008	1,008
Other expenses	20,587	1,715	22,302
	$ 6,310,528	$ 196,569	$ 6,507,097