

BLESSINGS INTERNATIONAL

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED AUGUST 31, 2016 AND 2015

**WITH
INDEPENDENT AUDITORS' REPORT**

Blessings International
Financial Statements
And
Supplementary Information
Years Ended August 31, 2016 and 2015

CONTENTS

Independent Auditors' Report.....	3
Audited Financial Statements	
Statements of Financial Position.....	5
Statements of Activities	7
Statements of Cash Flows.....	9
Notes to Financial Statements.....	11
Independent Auditors' Report on Additional Information	19
Schedule of Expenses by Functional Classification	20



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Blessings International
Broken Arrow, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of Blessings International (a nonprofit organization), which comprise the statements of financial position as of August 31, 2016 and 2015, 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.

Auditor's 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 of 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.

HOOD & ASSOCIATES, CPAs, P.C.

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 Blessings International as of August 31, 2016 and 2015, 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.

Hood & Associates, CPAs, P.C.

Hood & Associates, CPAs, P.C.

Tulsa, Oklahoma
November 7, 2016

Blessings International
Statements of Financial Position
August 31, 2016 and 2015

ASSETS

	2016	2015
Current assets:		
Cash and cash equivalents	\$ 2,041,823	\$ 1,718,738
Short-term investments (<i>Note 5</i>)	1,360,285	991,738
Accounts receivable (net of reserve for doubtful accounts of \$2,500)	262,246	126,289
Unconditional promises to give (net of allowance for uncollectible promises of \$5,800 and \$3,700 at August 31, 2016 and 2015, respectively)	15,260	12,457
Pharmaceutical inventory (at cost) (<i>Note 2</i>)	1,299,757	1,485,785
Prepaid pharmaceutical purchases and other current assets	224,648	242,968
Total current assets	5,204,019	4,577,975
 Property and Equipment (<i>Note 4</i>) :		
Land and building (Net of accumulated depreciation of \$399,156 and \$331,208 at August 31, 2016 and 2015, respectively)	2,801,539	2,858,095
Other property and equipment (Net of accumulated depreciation of \$544,211 and \$469,399 at August 31, 2016 and 2015, respectively)	254,381	286,620
Net property and equipment	3,055,920	3,144,715
 Other Assets:		
Deposits	-	-
Long-term investments (<i>Note 5</i>)	166,184	499,077
Total other assets	166,184	499,077
Total assets	\$ 8,426,123	\$ 8,221,767

Blessings International
Statements of Financial Position
August 31, 2016 and 2015

LIABILITIES AND NET ASSETS

	2016	2015
Current liabilities:		
Accounts payable	\$ 28,769	\$ 49,884
Advance payments	22,288	34,151
Accrued payroll	-	-
Pension plan contributions payable and other accrued liabilities	12,780	18,102
Total current liabilities/total liabilities	63,837	102,137
 Unrestricted net assets		
Operating	8,139,504	7,893,653
Total unrestricted net assets	8,139,504	7,893,653
 Temporarily restricted net assets		
Designated offerings	222,782	225,977
Total temporarily restricted net assets	222,782	225,977
Total net assets	8,362,286	8,119,630
Total liabilities and net assets	\$ 8,426,123	\$ 8,221,767

Blessings International
Statements of Activities
Years Ended August 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Unrestricted Net Assets:		
Unrestricted revenues, gains and other support:		
Net sales of pharmaceutical products and supplies	\$ 4,504,971	\$ 4,542,821
General undesignated offerings:		
Combined Federal Campaign	14,093	10,815
State, local, corporate campaigns	5,877	3,780
Other	49,031	60,323
Investment return <i>(Note 5)</i>	34,135	32,150
Transfer to temporarily restricted net assets <i>(Note 3)</i>	(43,475)	(33,798)
Other	1,340	2,460
Total unrestricted revenue and gains	<u>4,565,972</u>	<u>4,618,551</u>
Net assets released from restrictions:		
Restrictions satisfied by payments	120,905	101,157
Restrictions satisfied by passage of time	-	-
Total net assets released from restrictions	<u>120,905</u>	<u>101,157</u>
Total unrestricted revenues, gains, other support	<u>4,686,877</u>	<u>4,719,708</u>
Expenses:		
Program services:		
Assistance and gifts:		
Estimated cost of pharmaceutical shipments	2,443,581	2,486,055
Gifts and other distribution costs	449,301	350,982
Salaries, wages and allocated overhead costs	1,144,643	987,814
Total program services	<u>4,037,525</u>	<u>3,824,851</u>
Supporting services:		
Management and general	340,374	301,331
Fund-raising <i>(Note 7)</i>	63,127	53,137
Total supporting services	<u>403,501</u>	<u>354,468</u>
Total expenses	<u>4,441,026</u>	<u>4,179,319</u>
Increase in unrestricted net assets	<u>245,851</u>	<u>540,389</u>

Blessings International
Statements of Activities
Years Ended August 31, 2016 and 2015

	2016	2015
Temporarily restricted net assets:		
Designated offerings	74,235	87,160
Transfer from unrestricted funds <i>(Note 3)</i>	43,475	33,798
Net assets released from restrictions <i>(Note 2)</i>	(120,905)	(101,157)
Increase (decrease) in temporarily restricted net assets	(3,195)	19,801
Increase (decrease) in net assets	242,656	560,190
Net assets, beginning of year	8,119,630	7,559,440
Net assets, end of year	\$ 8,362,286	\$ 8,119,630

Blessings International
Statements of Cash Flows
Years Ended August 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Cash received from net sales charges	\$ 4,357,151	\$ 4,680,039
Cash received from general undesignated offerings	64,098	84,295
Cash received from interest and other investment income	13,567	7,638
Cash received from grants		
Cash received from designated offerings	74,235	87,160
Cash received from other income	1,340	2,460
Cash disbursed for program services	(3,746,256)	(4,053,936)
Cash disbursed for management and general expenses	(308,872)	(270,313)
Cash disbursed for fund-raising expenses	<u>(63,127)</u>	<u>(53,137)</u>
Net cash provided by operating activities	<u>392,136</u>	<u>484,206</u>
Cash flows from investing activities:		
Purchase of investments	(285,000)	(592,553)
Proceeds from redemption of investments	269,914	532,235
Additions to real estate, equipment and software	(53,965)	(43,925)
Proceeds from sale of assets	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>(69,051)</u>	<u>(104,243)</u>
Net increase (decrease) in cash and cash equivalents	323,085	379,963
Cash and cash equivalents, beginning of year	<u>1,718,738</u>	<u>1,338,775</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,041,823</u></u>	<u><u>\$ 1,718,738</u></u>

Blessings International
Statements of Cash Flows
Years Ended August 31, 2016 and 2015

**Reconciliation of changes in net assets to net cash
provided by operating activities:**

	2016	2015
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 242,656	\$ 560,190
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	142,760	153,748
Reinvested investment income	(15,468)	(25,065)
Provision for bad debts	2,100	(2,800)
Unrealized (gain) loss on investments	(5,100)	553
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(135,957)	152,913
(Increase) decrease in unconditional promises to give	(4,903)	9,377
(Increase) decrease in grant receivable	-	-
(Increase) decrease in prepaid expenses	18,320	70,082
(Increase) decrease in inventory	186,028	(471,753)
Increase (decrease) in accounts payable	(21,115)	45,958
Increase (decrease) in advance payments	(11,863)	(15,695)
Increase (decrease) in accrued payroll	-	-
Increase (decrease) in pension plan contributions payable and other accrued liabilities	(5,322)	6,698
Total adjustments	149,480	(75,984)
Net cash provided by operating activities	\$ 392,136	\$ 484,206

BLESSINGS INTERNATIONAL
Notes to Financial Statements
August 31, 2016 and 2015

Note 1 – Nature of Activities

Blessings International (the “Ministry”) was incorporated in the State of Oklahoma on July 6, 1981. The primary focus of the Ministry is to obtain and distribute pharmaceuticals essential for the eradication of major diseases and parasites to clinics, hospitals and mission groups operating in developing nations. The Ministry obtains its pharmaceuticals by purchasing them from both U.S. and overseas sources. In recent years, the Ministry has increasingly relied on bulk purchases of generic drugs from four overseas suppliers through its “Import for Export” program. In prior years, the Ministry has obtained significant pharmaceuticals from donations solicited from major pharmaceutical firms; however, no donations have been received since February 2009.

The Ministry distributes pharmaceuticals overseas to over 150 developing nations for the treatment of needy or indigent people and as well to areas of the United States to serve the needs of the “underserved” and “working poor” populations. By working through other non-profit medical providers, church-based ministries and clinics, the desired results of the services Blessings International offers is helping people in the realm of one of their most basic needs – good health. This is accomplished through the provision of essential medicines, thereby offering men, women and children hope for a better future.

In August 2010, the Ministry completed construction of a new headquarters facility located in Broken Arrow, Oklahoma, to provide expanded warehouse, packaging, shipping and office space. This state-of-the-art facility has approximately 18,300 square feet of space, including a 14,000 square foot temperature-controlled warehouse facility with an automated packaging room. The enlarged size and design of the facility allows for increased capacity allowing for expanded partnerships with existing client organizations, while also providing the capacity to serve new organizations requesting assistance, both at an accelerated rate.

The Ministry is supported primarily through sales charges to its Christian and humanitarian mission clientele to cover the costs of overseas shipment, warehouse and other overhead costs, as well as the costs of purchased pharmaceuticals. To a much lesser extent, the Ministry is supported by donor contributions, including federal and state government campaign pledges that support its benevolent activities.

Note 2 – Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Ministry have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

BLESSINGS INTERNATIONAL
Notes to Financial Statements
August 31, 2016 and 2015

Note 2 – Summary of Significant Accounting Policies (continued)

(b) Financial Statement Presentation

Under U.S. generally accepted accounting principles, a not-for-profit organization such as Blessings International is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. At August 31, 2016 and 2015, the Ministry had no permanently restricted net assets.

(c) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Ministry considers all unrestricted highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents. Such investments with an initial maturity of more than three months are classified as short-term investments in the Statement of Financial Position if their final maturity is one year or less from the date of the financial statements, and long-term investments if their final maturity is more than one year from the date of the financial statements.

(d) Concentration of Credit Risk

The Ministry's cash equivalents and certificates of deposit may, at times, exceed federally insured limits. At August 31, 2016, there were no significant concentrations of credit risk. To date, the Ministry has not experienced any losses on such deposits, and management believes that the Ministry is not exposed to any significant credit risk associated with its cash equivalents and certificates of deposit.

(e) Inventories

Inventories of pharmaceuticals, consisting of medicines, drugs, and medical supplies purchased from both U.S. and overseas suppliers are stated at the lower of cost or market using a weighted moving average cost method. The cost of pharmaceutical inventories includes the actual purchase cost of the products, including freight and any customs fees and duties associated with products imported from overseas suppliers, as well as an allocation of processing costs of bulk-purchased imported items for sorting, bottling, and labeling. Processing costs include the costs of materials and supplies used in processing, direct labor costs and allocated overhead costs, such as depreciation, insurance, and employee benefits. The ratio of inventoried processing costs to total inventoried purchase costs of bulk-purchased pharmaceuticals is estimated to be the same as the ratio of total processing costs incurred for the year to the total purchase costs of such products incurred for the year.

BLESSINGS INTERNATIONAL
Notes to Financial Statements
August 31, 2016 and 2015

Note 2 – Summary of Significant Accounting Policies (continued)

(e) Inventories (continued)

For specific pharmaceuticals purchased from U.S. pharmaceutical companies, the inventory received is identified by manufacturer, item number and packaging size (National Drug Code (“NDC”)), and lot number and expiration date. Generic pharmaceutical products purchased in bulk quantities from overseas suppliers are referred to as “Import for Export” (IFE) products. For these IFE products, Ministry warehouse personnel sort and further process the products under Blessings International NDC number. All such pharmaceutical products are tracked and accounted for by a specific identification method.

Generally no write downs of pharmaceutical inventories are required for estimated obsolescence or unmarketable inventory. The Ministry’s policy is to dispose of any expired, obsolete or unmarketable inventories as needed. In many circumstances, the Ministry is able to locate organizations who can utilize short-dated pharmaceutical products and arrangements are made for bulk shipments of such items to the recipient organizations.

(f) Public Support and Revenues

Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions, generally related to the designation of a country, region or natural disaster for which the contribution is to be used.

All donor-restricted support is classified as “designated funds” and is reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a 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.

Unconditional promises to give are recorded as received. For the years ended August 31, 2016 and 2015, unconditional promises to give consisted of pledges made to the Christian Service Charities for the benefit of the Ministry through the Fall 2015 and 2014 Combined Federal Campaigns and to Neighbor to Nation through state, local and corporate Fall 2015 and 2014 campaigns, and were classified as unrestricted support.

All contributions received, whether designated or general, are used toward the Ministry's benevolence projects. Because pharmaceutical sales charges are sufficient to cover all management and fund-raising expenses, not one penny of a donor's dollar is used to pay supporting overhead expenses.

BLESSINGS INTERNATIONAL
Notes to Financial Statements
August 31, 2016 and 2015

Note 2 – Summary of Significant Accounting Policies (continued)

(f) Public Support and Revenues (continued)

Pharmaceutical sales, net of any amounts forgiven (“gifts from Blessings International”) or usage of designated offerings, are recognized when billed, upon shipment of pharmaceuticals to recipients.

(g) Accounts and Other Receivables and Allowances for Doubtful Accounts

Accounts and other receivables consist of trade receivables and pledges receivable.

Trade receivables from Christian missions for pharmaceutical sales are stated at the historical invoice amount net of write-offs and allowance for doubtful accounts. The Ministry establishes an estimated allowance for doubtful accounts receivable based on various factors, including revenue, historical credit loss experience and current trends, but principally from any specific customer collection issues that the Ministry has identified. Uncollectible accounts receivable are written off when a settlement is reached for amount that is less than outstanding historical balance or when the Ministry has determined the balance will not be collected.

Pledges receivable are reflected net of estimated uncollectible promises to give. An allowance for uncollectible promises is provided based upon Management’s evaluation of potential uncollectible pledges receivable at year end, utilizing historical collection experience.

(h) Property and Equipment

Acquisitions of property and equipment in excess of \$500 with a useable life of more than one year are capitalized. Property and equipment are carried at cost, if purchased, or, if donated, at the approximate fair value at the date of donation, less accumulated depreciation. Depreciation of furniture and fixtures, machinery and equipment, computer hardware and software costs, and automotive equipment is computed using the straight-line method over estimated useful lives ranging from five to ten years. Depreciation of the cost of the Ministry’s office and warehouse building, net of 10% salvage value, is computed using the straight-line method over a forty-year life.

Depreciation expense amounted to \$142,760 and \$153,748 for the years ended August 31, 2016 and 2015, respectively.

(i) Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, trade and pledges receivable, accounts payable, and other accrued liabilities approximate fair value as of August 31, 2016 and 2015, due to the relatively short maturity of these instruments.

BLESSINGS INTERNATIONAL
Notes to Financial Statements
August 31, 2016 and 2015

Note 2 – Summary of Significant Accounting Policies (continued)

(j) Income Taxes

The Ministry is a not-for-profit Private Voluntary Organization (PVO) that is exempt from income taxes under Section 501(C)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Ministry's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended August 31, 2013, 2014 and 2015 and 2016 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

(k) Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities as either program services, management and general, or fund-raising expenses. Program services include assistance and gifts, consisting principally of the purchase and processing cost of pharmaceuticals shipped, overseas shipping costs, and allocated salaries, wages and overhead costs. Accordingly, certain costs have been allocated between program services and supporting services expenses based on estimates of the Ministry's management.

(l) Donated Services

During the years ended August 31, 2016 and 2015, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, a number of individuals volunteer their time and perform a variety of tasks that assist the Ministry in its warehouse facilities, but these services do not meet the criteria for recognition as donated services.

(m) Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains and other support and expenses during the reporting period. Actual results could differ from those estimates.

(n) Date of Management's Review

Subsequent events have been evaluated through November 7, 2016, which was the date the financial statements were available to be issued.

BLESSINGS INTERNATIONAL
Notes to Financial Statements
August 31, 2016 and 2015

Note 3 – Transfers to Temporarily Restricted Net Assets

Pursuant to a resolution of the Ministry’s Executive Committee in September 2015, \$17,525 was transferred from unrestricted assets in the Mission Partnership Fund (“MPF”) to the Emergency Disaster Relief Fund. An additional \$25,950 was transferred to three designated funds which had incurred expenditures in excess of their offerings during the year ended August 31, 2016, including \$20,707 to the Meds For Orphans Fund.

At July 31, 2015, pursuant to a resolution of the Ministry’s Executive Committee, \$25,956 was transferred from unrestricted assets in the MPF to the Emergency Disaster Relief Fund. An additional \$7,842 was transferred to two designated funds at August 31, 2015 which had incurred expenditures in excess of their offerings during the year ended August 31, 2015.

Note 4 – Property and Equipment

At August 31, 2016 and 2015, property and equipment was comprised of the following:

	<u>2016</u>	<u>2015</u>
Land	\$ 253,649	\$ 253,649
Building and improvements	2,947,046	2,935,654
Machinery and equipment	572,007	535,750
Computer equipment	35,762	35,762
Computer software costs	130,917	127,917
Office furniture and fixtures	28,306	24,990
Website	19,600	19,600
Automobile	12,000	12,000
	<u>3,999,287</u>	<u>3,945,322</u>
Less accumulated depreciation	943,367	800,607
	<u>\$ 3,055,920</u>	<u>\$ 3,144,715</u>

BLESSINGS INTERNATIONAL
Notes to Financial Statements
August 31, 2016 and 2015

Note 5 – Investments

Investments at August 31, 2016 and 2015 consisted of certificates of deposit stated at cost, which approximated fair value as their interest rates reflect market rates and 4,000 shares of preferred stock stated at estimated fair value.

	<u>2016</u>	<u>2015</u>
Certificates of deposit	\$ 1,424,369	\$ 1,393,815
Preferred Stock	<u>102,100</u>	<u>97,000</u>
	1,526,469	1,490,815
Less certificates of deposit and preferred stock classified as current assets	<u>1,360,285</u>	<u>991,738</u>
	<u>\$ 166,184</u>	<u>\$ 499,077</u>

Long-term certificates of deposit at August 31, 2016, mature during the year 2021.

Investment return for the years ended August 31, 2016 and 2015 was comprised of the following:

	<u>2016</u>	<u>2015</u>
Interest income from certificates of deposit and money market accounts	\$ 29,035	\$ 32,703
Unrealized appreciation (depreciation) in fair value of investment in preferred stock	<u>5,100</u>	<u>(553)</u>
	<u>\$ 34,135</u>	<u>\$ 32,150</u>

BLESSINGS INTERNATIONAL
Notes to Financial Statements
August 31, 2016 and 2015

Note 6 – Retirement Arrangement With Staff Employees

The Ministry offers staff employees the opportunity for participation in a contributory 403(B) defined contribution plan. All full or part-time staff employees may participate with elective deferrals after 90 days of employment. After two years of employment, the Ministry double matches (2% for every 1%) employees' contributions up to 5% of their regular salary. The expense to the Ministry under this arrangement was \$64,950 and \$47,849 for the years ended August 31, 2016 and 2015, respectively.

Note 7 – Fund-Raising Expenses

The Ministry's fund-raising efforts consist of annual participation in the Combined Federal and State Campaigns, as well as occasional newsletter appeals and special events. The Ministry's fund-raising efforts through normal operations consist of the allocated portion of the salary and related overhead of the Ministry's President, Development Director, Chief Financial Officer and others, and certain identifiable costs related to fund-raising, including advertisements for cash donations placed in various publications. Such identifiable fund-raising expenses were \$63,127 and \$53,137 for the years ended August 31, 2016 and 2015, respectively.

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

To the Board of Trustees
Blessings International
Broken Arrow, Oklahoma

We have audited the financial statements of Blessings International as of and for the year ended August 31, 2016, and have issued our report thereon dated November 7, 2016, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The schedule of expenses by functional classification is presented for the 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.

Hood & Associates, CPAs, P.C.

Hood & Associates, CPAs, P.C.
Certified Public Accountants

Tulsa, Oklahoma
November 7, 2016

Hood & Associates, CPAs, P.C.

Blessings International
Schedule of Expenses by Functional Classification
Year Ended August 31, 2016

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Assistance and Gifts</u>	<u>Other Program Costs</u>	<u>Management and General</u>	<u>Fund-Raising</u>	
Cost of pharmaceutical shipments	\$ 2,443,581	\$ -	\$ -	\$ -	\$ 2,443,581
Allocated processing costs	-	(160,503)	-	-	(160,503)
CEO officer's salary and bonus	-	137,349	25,753	8,584	171,686
Office salaries and bonuses	-	660,859	133,227	31,988	826,074
Freight outbound	206,453	-	-	-	206,453
Reassay pharmaceuticals	5,075	-	-	-	5,075
Depreciation	-	114,208	28,552	-	142,760
Payroll taxes	-	56,026	10,871	3,135	70,032
Pension plan	-	51,960	9,236	3,754	64,950
Legal and professional fees and regulatory expenses	-	7,443	33,667	-	41,110
Fund-raising	-	-	-	10,488	10,488
Computer maintenance & expense	-	24,212	6,053	-	30,265
Cash contributions	191,725	-	-	-	191,725
Pharmaceuticals destruction/loss	36,044	-	-	-	36,044
Group medical insurance	-	60,412	10,135	4,968	75,515
Bad debts	-	-	4,556	-	4,556
Travel	-	29,337	-	-	29,337
Supplies (Office And Warehouse)	-	27,880	6,970	-	34,850
Mission trips	793	-	-	-	793
Telephone and internet fees	-	6,818	1,705	-	8,523
Bank charges	-	-	1,040	-	1,040
Air freight	9,211	-	-	-	9,211
Equipment repair/maintenance	-	5,779	1,445	-	7,224
Auto expenses	-	1,619	405	-	2,024
Postage	-	3,502	876	-	4,378
Utilities	-	16,958	4,240	-	21,198
Dues and subscriptions	-	-	30,037	-	30,037
Insurance-general	-	42,118	10,319	210	52,647
Seminars and conventions	-	-	11,281	-	11,281
Security	-	734	183	-	917
Printing, photo, artwork	-	15,708	-	-	15,708
Books and tapes	-	806	-	-	806
Recruitment	-	-	1,668	-	1,668
Building, grounds and warehouse maintenance	-	8,470	2,118	-	10,588
Entertainment	-	-	6,020	-	6,020
Advertising and marketing	-	7,116	-	-	7,116
Credit card process fees	-	25,765	-	-	25,765
Celebration	-	-	-	-	-
Miscellaneous	-	67	17	-	84
	<u>\$ 2,892,882</u>	<u>\$ 1,144,643</u>	<u>\$ 340,374</u>	<u>\$ 63,127</u>	<u>\$ 4,441,026</u>