

COMMUNITY HEALTH CHARITIES

FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors

COMMUNITY HEALTH CHARITIES

We have audited the accompanying statements of financial position of Community Health Charities as of June 30, 2012 and 2011, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the management of Community Health Charities. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Health Charities as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Bethesda, Maryland
April 17, 2013

COMMUNITY HEALTH CHARITIES
STATEMENTS OF FINANCIAL POSITION

June 30, 2012 and 2011

| | 2012 | 2011 |
|--|----------------------|----------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 4,614,805 | \$ 2,626,897 |
| Certificates of deposit, short-term | 507,970 | 507,875 |
| Due from state affiliates | 479,128 | 276,016 |
| Pledges receivable, net of allowance for uncollectible pledges of \$4,234,204 (\$5,945,325 in 2011) | 19,527,199 | 20,368,611 |
| Other receivables | 7,238 | - |
| Prepaid expenses | 37,205 | 35,749 |
| TOTAL CURRENT ASSETS | 25,173,545 | 23,815,148 |
| PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$164,834 (\$142,626 in 2011) | 67,555 | 87,189 |
| OTHER ASSETS | | |
| Deposits | 8,806 | 8,806 |
| TOTAL ASSETS | \$ 25,249,906 | \$ 23,911,143 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 227,473 | \$ 215,038 |
| Campaign funds payable | 23,919,156 | 22,026,701 |
| TOTAL CURRENT LIABILITIES | 24,146,629 | 22,241,739 |
| NET ASSETS | | |
| Unrestricted | 1,103,277 | 1,669,404 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 25,249,906 | \$ 23,911,143 |

See Notes to Financial Statements

COMMUNITY HEALTH CHARITIES

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30, 2012 and 2011

| | <u>Unrestricted</u> | |
|---|---------------------|---------------------|
| | <u>2012</u> | <u>2011</u> |
| AMOUNTS RAISED IN CAMPAIGNS | | |
| Combined Federal Campaign | \$ 21,669,137 | \$ 22,110,086 |
| Private Sector Campaign | <u>6,716,556</u> | <u>5,806,990</u> |
| Total amounts raised in campaigns | 28,385,693 | 27,917,076 |
| Less: amounts designated by donor to specific member agencies | <u>(27,998,734)</u> | <u>(27,690,758)</u> |
| TOTAL PUBLIC SUPPORT DESIGNATED TO COMMUNITY HEALTH CHARITIES | 386,959 | 226,318 |
| PUBLIC SUPPORT AND REVENUE | | |
| Administrative fees | 2,281,627 | 2,313,066 |
| Affiliation fees | 637,569 | 644,059 |
| Application fees | 442,500 | 425,500 |
| Contributions | 145,884 | 273,267 |
| Interest income | 78 | 3,516 |
| Other revenue | 12,070 | 5,584 |
| TOTAL PUBLIC SUPPORT AND REVENUE | <u>3,906,687</u> | <u>3,891,310</u> |
| EXPENSES | | |
| Program services | <u>3,143,840</u> | <u>2,788,161</u> |
| Supporting services | | |
| Management and general | 522,453 | 419,053 |
| Fundraising | <u>419,562</u> | <u>441,881</u> |
| Total supporting services | <u>942,015</u> | <u>860,934</u> |
| TOTAL EXPENSES | <u>4,085,855</u> | <u>3,649,095</u> |
| CHANGE IN NET ASSETS BEFORE DISTRIBUTIONS PAID OR PAYABLE TO MEMBER AGENCIES | (179,168) | 242,215 |
| DISTRIBUTIONS PAID OR PAYABLE TO MEMBER AGENCIES FROM COMMUNITY HEALTH CHARITIES' DESIGNATIONS | <u>386,959</u> | <u>226,318</u> |
| CHANGE IN NET ASSETS | (566,127) | 15,897 |
| NET ASSETS, BEGINNING OF YEAR | <u>1,669,404</u> | <u>1,653,507</u> |
| NET ASSETS, END OF YEAR | <u>\$ 1,103,277</u> | <u>\$ 1,669,404</u> |

See Notes to Financial Statements

COMMUNITY HEALTH CHARITIES

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ (566,127) | \$ 15,897 |
| Adjustments to reconcile change in net assets to net cash flows from operating activities | | |
| Depreciation | 22,208 | 22,165 |
| Decrease (increase) in operating assets | | |
| Due from state affiliates | (203,112) | (22,056) |
| Pledges receivable | 841,412 | (794,990) |
| Other receivables | (7,238) | 8,000 |
| Prepaid expenses | (1,456) | (9,457) |
| Increase in operating liabilities | | |
| Accounts payable and accrued expenses | 12,435 | 107,385 |
| Campaign funds payable | 1,892,455 | 122,550 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | <u>1,990,577</u> | <u>(550,506)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (2,574) | - |
| (Increase) in investment in certificates of deposit | (95) | (3,390) |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | <u>(2,669)</u> | <u>(3,390)</u> |
| | | |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 1,987,908 | (553,896) |
| | | |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>2,626,897</u> | <u>3,180,793</u> |
| | | |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 4,614,805</u> | <u>\$ 2,626,897</u> |

See Notes to Financial Statements

COMMUNITY HEALTH CHARITIES
NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies

Nature of operations – Community Health Charities (the “Organization”), through its participation in the Combined Federal Campaign and certain corporate campaigns, serves as a vehicle through which Federal (domestic and overseas) employees and employees in the private sector may make contributions to the Organization’s member charities and their local chapters, which are not-for-profit charitable organizations performing medical research, providing community and patient services, and materials and programs for public and professional education in the health field. The Organization conducts business nationwide through a network of affiliated Community Health Charities’ state affiliates. Amounts raised in unaffiliated states are distributed directly to designated charitable organizations based on campaign designation reports.

Basis of presentation – The Organization’s financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The Organization presents information regarding its financial position and activities according to three classes of net assets described as follows:

Unrestricted – All resources over which the governing board has discretionary control. The governing board of the Organization may elect to designate such resources for specific purposes. This designation may be removed at the board’s discretion.

Temporarily restricted net assets – Resources accumulated through donations or grants for specific operating or capital purposes. Such resources will become unrestricted when the requirements of the donor or grantee have been satisfied through expenditure for the specified purpose or program or through the passage of time.

Permanently restricted net assets – Resources accumulated through donations or grants that are subject to a restriction. These net assets include the original value of the gift, plus any subsequent additions.

Use of estimates – The preparation of financial statements in conformity 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. Significant estimates include allowances for uncollectable pledges and shrinkage.

Cash and cash equivalents – Cash and cash equivalents consist of operating, payroll and money market accounts and certificates of deposit with a maturity of three months or less. Included in cash is a Trust Account established to clearly separate national campaign funds processed for affiliates and designated charities from all other funds of the Organization. The funds in the Trust Account can only be distributed (i) to the designated charities, (ii) as to their respective allocations of shared revenue, to the Affiliates, and (iii) as to its allocation of shared revenue, to the Organization. Except with respect to the portion of the Trust Account which is distributed to the Organization as its allocation of shared revenues, these funds do not belong to, and cannot be used by, the Organization.

COMMUNITY HEALTH CHARITIES
NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Total cash included in the statements of financial position includes the following:

| | June 30, | |
|---------------------------|-----------------|--------------|
| | 2012 | 2011 |
| Cash and cash equivalents | \$ 223,708 | \$ 973,019 |
| Cash held for affiliates | 4,391,097 | 1,653,878 |
| Total cash | \$ 4,614,805 | \$ 2,626,897 |

Certificates of deposit, short-term – The Organization holds two certificates of deposit with original maturity dates greater than 90 days. The certificates earn interest at an average rate of approximately .20%. The Organization carries these at cost, which approximates fair value.

Fair value – For cash and short-term investments, receivables and payables, the carrying amount is a reasonable estimate of fair value. Market values for short-term investments are based on quoted prices in active markets for similar assets (Level 2 inputs, under the fair value standards).

Pledges receivable – Pledges are recorded in the financial statements upon receiving pledge information from the campaign. The Organization honors designations made to each member organization. As all pledges are expected to be collected within one year, they are recorded at their net realizable value, which approximates fair value. This is achieved by creating an allowance for estimated uncollectible pledges and for estimated campaign expenses (shrinkage).

Due from state affiliates – Due from state affiliates consists of affiliation fee revenues earned and not yet received. The Organization holds an affiliation agreement with each state affiliate. A board approved affiliation fee is earned on pledge amounts raised in workplace giving campaigns by each state affiliate.

Property and equipment – Furniture and equipment with unit values in excess of \$1,000 are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. Cost and related accumulated depreciation are removed from the accounts when the assets are disposed of, with any gain or loss recognized currently. Repairs and maintenance are charged to expense when incurred.

Campaign funds payable – Campaign funds payable include funds not distributed as of year-end for donor pledges that are undesignated or designated to either the Organization or a participating affiliate or member charity. When pledges are received from campaigns, the cash is allocated using the ratio of donor designated funds combined with the pro rata share of undesignated funds to the total cash received.

COMMUNITY HEALTH CHARITIES
NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Classifications of net assets – The Organization’s net assets and activities that increase or decrease net assets are classified as unrestricted, temporarily restricted, or permanently restricted. As of June 30, 2012 and 2011, unrestricted net assets were \$1,103,277 and \$1,669,404, respectively, and there were no permanently restricted or temporarily restricted net assets.

Revenue recognition – Amounts raised in campaigns represent collections on pledges from the fall 2011 and 2010 campaigns that have been passed through to specific member charities based on donor designations. Administrative fees, board approved costs of raising funds on behalf of others, are deducted from and recognized upon the monthly distribution to member charities and are calculated as a flat percentage of pledge collections related to the fall 2011 and 2010 campaigns. The campaign percentages vary based on individual agreements and range from 0 – 25%. Affiliation fees are based on audited results of amounts raised in workplace campaigns by affiliates using a board approved rate and are recognized annually.

Affiliation Agreements – A trust or other custodial bank account (the “Trust Account”) must be established by the Organization for the benefit of its affiliates and the charities who are the identified recipients of the funds from all national campaigns.

The Organization, on behalf of and as agent for the affiliates, will make the appropriate distributions on funds generated from all national campaigns directly to the designated charities.

Although the funds are comingled in the Trust Account, each affiliate is entitled to an accounting of the amounts in the Trust Account allocated to the affiliate based upon the amounts as reported by the various vendors as having been designated to agencies for distribution to charities in the affiliate’s area of responsibility. The Organization provides an accounting to each affiliate, no less than quarterly, of: (a) the amount of the Trust Account allocated to the affiliate as of the beginning of the reporting period; (b) additional amounts allocated to the affiliate during the reporting period; (c) the amounts distributed during the reporting period by the Organization from the Trust Account to designated charities on behalf of the affiliate, (d) all shared revenue distributed to the affiliate; and (e) the amount of the Trust Account allocated to the affiliate as of the end of the reporting period.

Affiliates must be in compliance with the current Affiliation Agreement and have executed an agreement to participate in the Trust Account in order to receive revenue credit and revenue share from national campaigns.

Pass-throughs – As of June 30, 2012, the Organization was holding cash in the amount of \$21,503 on behalf of Charities @ Work, a coalition of federations of which the Organization is a member. The group organizes a “Best Practices Conference” in the spring and all expenses are shared equally among the member federations. The Organization’s share of the cost is reflected as an expense in the financial statements.

COMMUNITY HEALTH CHARITIES
NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Expenses – Expenses are recognized by the Organization during the period in which they are incurred. Expenses which are paid in advance and not yet incurred are deferred to the applicable period.

Program services consist of costs associated with managing, maintaining, and increasing revenue sources for the Organization's affiliates and member charities from existing workplace fundraising campaigns; increasing overall recognition and representation of member agencies; and costs that benefit the overall campaign. Management and general expenses consist of costs directly related to the overall operations of the Organization and maintenance of its corporate existence, including general office management, reception, and financial reporting. Fundraising includes those costs associated with accessing new workplace fundraising campaigns.

Functional allocation of expenses – The costs of providing various program and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Income taxes – The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization is classified by the Internal Revenue Service under Section 509(a)(1) as an organization that is not a private foundation and is required to report unrelated business income to the Internal Revenue Service and the State of Virginia taxing authorities. For the years ended June 30, 2012 and 2011, there was no unrelated business income earned.

Accounting for Uncertainty in Income Taxes – The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition.

The Organization is not currently under examination by any taxing jurisdiction. The Organization's federal and state tax returns are generally open for examination for three years following the date filed.

Reclassification – Certain 2011 information has been reclassified to conform to the 2012 presentation. The reclassifications have no impact on the previously reported change in net assets.

Subsequent events – The Organization has evaluated subsequent events through April 17, 2013, which is the date the financial statements were available to be issued.

COMMUNITY HEALTH CHARITIES
NOTES TO FINANCIAL STATEMENTS

(2) Property and equipment

Property and equipment consist of the following:

| | June 30, | |
|----------------------------|-----------------|-------------|
| | 2012 | 2011 |
| Cost | | |
| Computer equipment | \$ 85,583 | \$ 85,583 |
| Software | 133,508 | 130,934 |
| Furniture | 13,298 | 13,298 |
| Total cost | 232,389 | 229,815 |
| Accumulated depreciation | 164,834 | 142,626 |
| Net property and equipment | \$ 67,555 | \$ 87,189 |

Depreciation expense for the years ended June 30, 2012 and 2011 was \$22,208 and \$22,165, respectively.

(3) Commitments

The Organization has commitments under operating leases for an office expiring in September 1, 2022 and equipment expiring in fiscal year 2014.

Future minimum rental payments, by fiscal year and in the aggregate, under the operating leases are as follows:

| Years Ending June 30, | |
|------------------------------|------------|
| 2013 | \$ 92,900 |
| 2014 | 88,400 |
| 2015 | 90,100 |
| 2016 | 88,900 |
| 2017 | 91,600 |
| Thereafter | 518,700 |
| | \$ 970,600 |

Rent expense for all operating leases for the years ended June 30, 2012 and 2011 totaled \$142,097 and \$135,528, respectively.

COMMUNITY HEALTH CHARITIES
NOTES TO FINANCIAL STATEMENTS

(4) Contingencies

The Combined Federal Campaign is subject to audit by the United States Office of Personnel Management's Office of the Inspector General (IG). Pledges received by member agencies may be adjusted based upon determinations of these audits. The IG conducted an audit of campaign 2008 completed in April 2011. In its report dated June 7, 2011, the IG noted findings concerning disclosures in the Organization's annual report and stronger controls were needed to ensure local affiliates are charging fees consistent with the amounts in the affiliate agreement. While the Organization disagreed with certain findings, a plan has been developed and approved that addresses these issues. Implementation continues.

The Organization has an ongoing investigation into the finances of a state affiliate and has assumed control over the affiliate's finances to assure accountability. Once the investigation is completed, management will assess if any further action is needed. Any amounts required to subsidize the affiliate's reserves are not considered material.

During the year ended June 30, 2011, the Organization learned of possible malfeasance within a state affiliate. The board of that affiliate retained council and the investigation is on-going. Although the state affiliate is legally independent of the Organization, and the Organization believes it will not be held liable for any judgments levied, the Organization thought it prudent to retain council to ensure proper representation of its interests. The Organization does not anticipate incurring legal fees to a similar extent during the year ending June 30, 2013.

(5) Pension plan

The Organization has a defined contribution plan under Section 403(b) of the Internal Revenue Code covering all employees who have completed at least one year of service. Under the plan, the Organization made discretionary contributions to the plan equal to 6.5% of each eligible employee's salary. Contributions of \$17,313 and \$13,509 were made during the years ended June 30, 2012 and 2011, respectively.

(6) Concentration of credit risk and financial instruments

Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of short-term investments maintained at creditworthy financial institutions. These account balances, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents. Credit risk with respect to pledges receivable is limited because the Organization deals with a significant number of campaigns whose participants are spread over a wide geographical area.

For the years ended June 30, 2012 and 2011, approximately 17% of the Organization's pledges were from the District of Columbia. Additionally, for the years ended June 30, 2012 and 2011, approximately 18% and 20%, respectively, of the Organization's pledge receivables were from the District of Columbia.

COMMUNITY HEALTH CHARITIES

NOTES TO FINANCIAL STATEMENTS

(7) Certificates of deposit and fair value measurements

The Organization established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. That hierarchy 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 FASB 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 and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market 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. The inputs into the determination of fair value require significant management judgment or estimation. At this time, the Organization does not hold any investments which would be included in this category.

The 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.

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although 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 Organization's certificates of deposit are recorded at cost, which approximates fair value. There have been no changes in the methodologies used at June 30, 2012 and 2011. Within the fair value hierarchy, the Organization's certificates of deposit at fair value are Level 2 as of June 30, 2012 and 2011.

(8) Affiliate grants

During the year ended June 30, 2012, the Organization provided a \$200,000 operating grant to the New York affiliate to support expansion of their operations into New York City. The New York City area had been designated a target market and the funds were used to hire two full-time staff to service the region. The grant has not been renewed for the year ending June 30, 2013.

ADDITIONAL INFORMATION



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INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

To the Board of Directors

COMMUNITY HEALTH CHARITIES

We have audited the financial statements of Community Health Charities as of and for the years ended June 30, 2012 and 2011, and have issued our report thereon dated April 17, 2013, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of functional expenses for the years ended June 30, 2012 and 2011, which follow, are presented for purposes of additional analysis and are not a required part of the basic 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 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.

Bethesda, Maryland
April 17, 2013

COMMUNITY HEALTH CHARITIES

ADDITIONAL INFORMATION – SCHEDULE OF FUNCTIONAL EXPENSES

Year Ended June 30, 2012

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total 2012</u> |
|-------------------------------------|-----------------------------|-----------------------------------|-----------------------|-------------------------|
| PERSONNEL EXPENSES | | | | |
| Salaries | \$ 1,124,733 | \$ 59,196 | \$ 295,983 | \$ 1,479,912 |
| Payroll taxes and employee benefits | 195,893 | 10,311 | 51,551 | 257,755 |
| TOTAL PERSONNEL EXPENSES | <u>1,320,626</u> | <u>69,507</u> | <u>347,534</u> | <u>1,737,667</u> |
| OTHER EXPENSES | | | | |
| Professional fees | 327,452 | 109,153 | - | 436,605 |
| Service center fees | 701,246 | 233,754 | - | 935,000 |
| Affiliate grants | 216,389 | - | - | 216,389 |
| Travel and meetings | 166,177 | 41,699 | 22,367 | 230,243 |
| Marketing | 119,609 | - | - | 119,609 |
| Office occupancy | 98,825 | 25,694 | 7,248 | 131,767 |
| Property taxes | 280 | 73 | 20 | 373 |
| Memberships | 497 | - | 7,638 | 8,135 |
| Office supplies and expenses | 55,437 | 27,884 | - | 83,321 |
| Telephone | 30,249 | 1,591 | 7,962 | 39,802 |
| Internet/website | 76,029 | 4,002 | 20,008 | 100,039 |
| Depreciation | 16,657 | 5,551 | - | 22,208 |
| Equipment leases | 7,747 | 2,583 | - | 10,330 |
| Postage and shipping | 3,734 | - | - | 3,734 |
| Licenses and fees | - | - | 6,785 | 6,785 |
| Printing and publications | 2,886 | 962 | - | 3,848 |
| TOTAL OTHER EXPENSES | <u>1,823,214</u> | <u>452,946</u> | <u>72,028</u> | <u>2,348,188</u> |
| TOTAL EXPENSES | <u>\$ 3,143,840</u> | <u>\$ 522,453</u> | <u>\$ 419,562</u> | <u>\$ 4,085,855</u> |

See Independent Auditors' Report on Additional Information

COMMUNITY HEALTH CHARITIES

ADDITIONAL INFORMATION – SCHEDULE OF FUNCTIONAL EXPENSES

Year Ended June 30, 2011

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total 2011</u> |
|-------------------------------------|--------------------------------|-----------------------------------|------------------------------|--------------------------------|
| PERSONNEL EXPENSES | | | | |
| Salaries | \$ 1,108,378 | \$ 58,336 | \$ 291,679 | \$ 1,458,393 |
| Payroll taxes and employee benefits | 184,881 | 9,731 | 48,653 | 243,265 |
| TOTAL PERSONNEL EXPENSES | <u>1,293,259</u> | <u>68,067</u> | <u>340,332</u> | <u>1,701,658</u> |
| OTHER EXPENSES | | | | |
| Professional fees | 241,473 | 80,492 | - | 321,965 |
| Service center fees | 495,316 | 165,109 | - | 660,425 |
| Affiliate grants | 60,000 | - | - | 60,000 |
| Travel and meetings | 184,065 | 46,187 | 24,774 | 255,026 |
| Marketing | 180,876 | - | - | 180,876 |
| Office occupancy | 94,871 | 24,667 | 6,958 | 126,496 |
| Property taxes | 312 | 81 | 23 | 416 |
| Memberships | 879 | - | 13,520 | 14,399 |
| Office supplies and expenses | 29,651 | 14,914 | - | 44,565 |
| Telephone | 26,011 | 1,368 | 6,846 | 34,225 |
| Internet/website | 145,943 | 7,683 | 38,406 | 192,032 |
| Depreciation | 16,624 | 5,541 | - | 22,165 |
| Equipment leases | 6,774 | 2,258 | - | 9,032 |
| Postage and shipping | 4,057 | - | - | 4,057 |
| Licenses and fees | - | - | 11,022 | 11,022 |
| Printing and publications | 8,050 | 2,686 | - | 10,736 |
| TOTAL OTHER EXPENSES | <u>1,494,902</u> | <u>350,986</u> | <u>101,549</u> | <u>1,947,437</u> |
| TOTAL EXPENSES | <u><u>\$ 2,788,161</u></u> | <u><u>\$ 419,053</u></u> | <u><u>\$ 441,881</u></u> | <u><u>\$ 3,649,095</u></u> |

See Independent Auditors' Report on Additional Information