

**CENTER FOR INVESTIGATION, EDUCATIONAL AND MEDICAL SERVICE  
FOR DIABETES OF PUERTO RICO**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2009 and 2008**

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## INDEPENDENT AUDITOR'S REPORT

Center for Investigation, Educational and  
Medical Services for Diabetes of Puerto Rico  
Board of Directors  
San Juan, Puerto Rico

We have audited the accompanying financial statements of the Center for Investigation, Educational and Medical Service for Diabetes of Puerto Rico (Diabetes Center) a component unit of the Commonwealth of Puerto Rico, as of June 30, 2009 and 2008, and for the year then ended, listed in the table of contents. These financial statements are the responsibility of the management of the Diabetes Center. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements 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 the Center for Investigation, Educational and Medical Service for Diabetes of Puerto Rico as of June 30, 2009 and 2008, and the results of its operations and the cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Fernández Valdivia & Company, PSC*

January 10, 2010

Stamp number  
affixed to original



## MANAGEMENT DISCUSSION ANALYSIS

The Center for the Diabetes for Puerto Rico (The Diabetes Center) is a public corporation and a component unit of the Commonwealth of Puerto Rico, created by Law No. 166 approved on August 12, 2000. The purposes of the Diabetes Center are to perform studies, provide medical training, education, as well as outpatient and other related medical services to the diabetic population around the island and the neighbor countries. The Diabetes Center offers to the financial statements readers this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2009 and 2008.

### Financial Highlights

- The total liabilities of the Diabetes Center at the close of the fiscal years ended June 30, 2009 and 2008 amounted to \$261,851 and \$303,016 each one, comprised of the accruals required under GASB No. 34 for payables, payroll taxes, rent payable, vacations and unearned in the amounts of \$46,602, \$0, \$21,016, \$94,746 and \$99,491, for 2009 and \$87,778, \$8,674, \$10,508, \$94,746 and \$101,310, for 2008. The assets exceeded its liabilities by \$2,341,770 and \$2,126,243, as reflected from the above analysis the Diabetes Center has the resources to meet its ongoing obligations.
- The Diabetes Center's total net change in assets increased by \$215,527 for 2009 and \$44,526 for 2008, the principal concept for the increase on 2009 is attributable to the control over expenditures, specifically over salaries and professional services.
- The Diabetes Center received a subsidy (legislature appropriation) by the Commonwealth of Puerto Rico of \$1,000,000 if those monies are not received the Center will operate with recurring losses and deficits.
- The Diabetes Center no longer maintains Certificates of Deposits with any financial institutions as of June 30, 2009 and 2008. Previous monies were used for their daily operations and acquisition of medical equipment.
- The Diabetes Center recognized intergovernmental transactions between the Medical Science School and the Center for monthly lease obligations in the amount of \$10,507 approximately, to the School Campus. At June 30, 2009 and 2008 the total outstanding debt of such commitment amounted to \$21,016 and \$10,508, respectively. At the same time it recognized a receivable balance from the Medical Science School of \$22,159 for 2009 and \$43,811 for 2008, related to the rental of some space on the Diabetes Center facilities.
- All operating expenses reflect a decrease in relation to the last year and basically relates to the company new approach to reduce expenses an example of these are advertising accounts, continued education program, General and administrative, and salaries and employee benefits.

## Overview of the Financial Statements

This Management's Discussion and Analysis document is intended to serve as an introduction to the Diabetes Center's basic financial statements. The Diabetes Center's basic financial statements comprises of four components: 1) statement of net assets, 2) statements of activities and changes in net assets, 3) cash flows and 4) notes to the financial statements.

Statement of net assets summarizes the financial position of the Diabetes Center as of June 30, 2009 and 2008. The financial position includes its economic resources (assets), obligations (liabilities) and net assets and their relationships to each other at a moment of time. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Diabetes Center is improving or deteriorating as a result of the year's operations.

The statement of activities and changes in net assets presents information showing how the Diabetes Center's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows provides information about Diabetes Center's cash receipts and cash payments during an accounting period. It also provides information about the cash effects of an entity's operating, investing and financing activities during an accounting period.

The statement of Net Assets, Statements of Activities and Changes in Net Assets and Cash Flows of the Diabetes Center's finances can be found on pages 4 to 6 of this annual report.

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 7 to 12 of this report.

A supplementary information have been included in addition to the basic financial statements and basically consist of an Operating Expense – General and Administrative schedule detailing of all expenses not presented on the Statements of Activities and Changes in Net Assets. Finally, there is a Donation – Grants Schedule detailing all grants received and their respective activities thru the years.

## Financial Analysis

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. The Diabetes Center is accounted for as a discretely presented component unit of the Commonwealth of Puerto Rico.

### Financial Analysis - continued

The financial statements are presented on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded when incurred. As allowed by Government Accounting Standard Board ("GASB") Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Accounting".

### Capital Assets

The capital assets of the Diabetes Center are those assets that are used in the performance of its functions. The investment in capital assets for the fiscal year ended June 30, 2009 amounts to \$2,775. Mayor capital asset events during the prior fiscal year included the following:

- Additions of Equipment to Center's facilities in the amount of \$2,775.

### REQUEST OF INFORMATION

This financial report is designed to provide a general overview of the Diabetes Center's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Division of the Diabetes Center of Puerto Rico, Centro Medico Mail Station, P.O. Box 70344, PMB-87, San Juan, Puerto Rico 00936.

**CENTER OF DIABETICS FOR PUERTO RICO**  
**(A Component Unit of the Commonwealth of Puerto Rico)**

**Statements of Net Assets**

**June 30, 2009 and 2008**

Assets:		
Unrestricted cash (notes 1 and 2)	\$ 1,648,384	\$ 1,299,347
Restricted cash (notes 1 and 2)	27,607	68,006
Account receivable, net (note 3)	64,736	84,111
Restricted donations receivable (note 4)	111,141	114,374
Inventory (note 1)	8,331	7,759
Prepaid expenses	11,730	2,036
Capital assets, net		
Property and equipment (note 5)	729,878	853,624
Total assets	<u>2,601,807</u>	<u>2,429,257</u>
Liabilities:		
Accounts payable, trade	\$ 46,603	\$ 87,777
Accrued payroll taxes	-	8,673
Accrued rent payable (notes 6)	21,016	10,508
Non-current liabilities - accrued vacations (note 1)		
Due within one year	39,107	39,107
Due after one year	55,639	55,639
Unearned restricted revenue (notes 4 and 10)	101,312	101,310
Total liabilities	<u>263,677</u>	<u>303,014</u>
Net Assets:		
Investment in capital assets	729,878	853,624
Unrestricted	<u>1,389,917</u>	<u>1,054,284</u>
	2,119,795	1,907,908
Restricted	<u>218,335</u>	<u>218,335</u>
Total net assets	<u>\$ 2,338,130</u>	<u>\$ 2,126,243</u>

See notes to financial statements.

**CENTER OF DIABETICS FOR PUERTO RICO**  
**(A Component Unit of the Commonwealth of Puerto Rico)**

**Statements of Activities and Changes in Net Assets**

**Years ended June 30, 2009 and 2008**

Revenues:		
Patient service revenues, net (note 8)	\$ 62,611	\$ 63,754
Other operating revenues (note 10)	<u>34,050</u>	<u>118,544</u>
Total revenues	<u>96,661</u>	<u>182,298</u>
Operating expenses:		
Salaries and employee benefits	372,066	438,404
Depreciation expense	126,521	187,396
Rent (note 6)	126,093	126,093
Advertising expense	-	840
Donation grants expense	2,848	66,838
Professional services		
Accounting	37,168	33,568
Legal	21,600	27,475
Medical	83,634	122,965
Investigations	-	3,603
Programmers	23,603	25,335
Medical insurance expense	26,323	21,397
Insurance expense	28,781	24,460
Cost of sales - nutristore	18,204	8,953
Continued Education Programs	1,000	3,037
Bad debts expenses	7,839	30,000
General and administrative	<u>53,262</u>	<u>61,895</u>
Total expenses	<u>928,942</u>	<u>1,182,259</u>
Operating (loss) before non-operating revenues	(832,281)	(999,961)
Non-operating revenues:		
Legislature appropriations by the Commonwealth of Puerto Rico (notes 1 and 9)	1,000,000	1,000,000
Legislature special fund resolution (notes 1 and 9)	-	-
Rent income	43,305	43,305
Interest income	<u>863</u>	<u>1,182</u>
Total non-operating revenue	<u>1,044,168</u>	<u>1,044,487</u>
Net income	211,887	44,526
Net assets, beginning of year	<u>1,907,908</u>	<u>1,863,382</u>
Net assets, end of year	<u>\$ 2,119,795</u>	<u>\$ 1,907,908</u>

See notes to financial statements.



**CENTER OF DIABETICS FOR PUERTO RICO**  
**(A Component Unit of the Commonwealth of Puerto Rico)**

**Statements of Cash Flows**

**Years ended June 30, 2009 and 2008**

Cash flows from operating activities		
Operating (loss) before government subsidies, rent and interest income	\$ (788,113)	\$ (955,474)
Adjustments to reconcile operating (loss) before government subsidies and interest income to net cash used in operating activities:		
Depreciation	126,521	187,396
Bad debts expenses	-	36,562
Decrease/(increase) in receivables	19,375	(15,179)
Decrease in restricted receivables	3,233	6,438
(Increase) in inventory	(572)	(3,059)
(Increase) in prepaid expenses	(9,694)	(350)
(Decrease)/Increase in accounts payable	(41,174)	65,663
Increase/(decrease) in rent payable	10,508	(10,508)
(Decrease) in accrued payroll taxes	(8,673)	(8,576)
(Decrease) in accrued vacations	-	(18,166)
(Decrease)/Increase in unearned restricted donations	2	3,996
Total adjustments	<u>99,526</u>	<u>244,217</u>
Net cash used in operating activities	<u>(688,587)</u>	<u>(711,257)</u>
Cash (used) in investing activities:		
Acquisition of property and equipment	<u>(2,775)</u>	<u>-</u>
Cash flows from non-capital financing activities:		
Legislature appropriations	<u>1,000,000</u>	<u>1,000,000</u>
Net (decrease) increase in cash and cash equivalents	308,638	288,743
Cash and cash equivalents at beginning of year	<u>1,367,353</u>	<u>1,078,610</u>
Cash and cash equivalents at end of year	<u>\$ 1,675,991</u>	<u>\$ 1,367,353</u>

See notes to financial statements.

**CENTER OF DIABETES FOR PUERTO RICO**  
**(A Component Unit of the Commonwealth of Puerto Rico)**

**Notes to Financial Statements**  
**June 30, 2009 and 2008**

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

The Center for Investigative, Educational & Medical Service for Diabetes of Puerto Rico (the "Diabetes Center") is a public corporation and a component unit of the Commonwealth of Puerto Rico, created by Act No. 166 approved on August 12, 2000. The purposes of the Diabetes Center are to perform studies, provide medical training, education, as well outpatient and other related medical services to the diabetic population around the island, the neighbor countries.

The Financial Reporting Entity

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. The Diabetes Center is accounted for as a discretely presented component unit of the Commonwealth.

The Diabetes Center adopted the provision of GASB Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" (GASB No. 34), GASB Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments: Omnibus" (GASB No. 37) and GASB Statement No. 38, "Certain Financial Statement Note Disclosures" (GASB No. 38) effective July 1, 2002. GASB No. 34 established financial and reporting standards for all state and local governments and related entities. The most important effects of the adoption of GASB No. 34 relates to the inclusion of management's discussion and analysis in the Diabetics Center's financial statements, a change required by GASB No. 34. The adoption of GASB No. 38 modifies, rescinds and establishes certain financial statement disclosure requirements.

Measurement Focus, Basis of Accounting and Financial Presentation

The financial statements are presented on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded when incurred. As allowed by Governmental Accounting Standard Board ("GASB") Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Accounting".

**CENTER OF DIABETES FOR PUERTO RICO**  
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**Notes to Financial Statements (continued)**  
**June 30, 2009 and 2008**

Risk Financing

The Diabetes Center carried commercial insurance to cover for casualty, theft, tort claims and other losses. Current insurance policies have not been cancelled or terminated. Also pays premiums for workmen compensation insurance to another component unit of the Commonwealth of Puerto Rico.

Use of Estimates

The preparation of the basic 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 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

Cash and cash equivalents include cash on hand, cash on banks and short-term investments with maturities of three months or less. The Diabetes Center is restricted by law to deposits in banks qualified as depository of public funds by the Puerto Rico Treasury Department.

Inventories

Inventories of supplies, consisting of drugs, medicines, food and other are stated at the lower of cost or market on a first-in, first-out basis.

Capital Assets

Capital assets, which include property and equipment, are stated at cost, except for contributions of property received from the Commonwealth of Puerto Rico and others, which are recorded at the appraised value at the date of contribution. Provision for depreciation of property and equipment is computed using the straight-line-method over their estimated useful lives of assets. Maintenance and repairs are charged to expenses as incurred. Expenditures for major renewals and betterments that extended the useful live of the assets are capitalized.

**CENTER OF DIABETES FOR PUERTO RICO**  
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**Notes to Financial Statements (continued)**  
**June 30, 2009 and 2008**

Impairment of Long-Lived Assets

Management reviews property and equipment for possible impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If there is an indication of impairment, management prepares an estimate of future cash flows (undiscounted and without interest charges) expected to result from the use of the asset until its eventual disposition.

If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the assets to its estimated fair value. No indications of impairment are evident as a result of such review.

Compensated Absences

Compensated absences are accrued when earned by the employees. Employees may carry-forward their compensated absences as permitted by statute and may settle them in a cash payment from the Diabetes Center, if employment has ceased.

Legislature Appropriations

The Commonwealth of Puerto Rico granted to the Diabetes Center annual appropriations of \$1,000,000 for their fiscal year ended on June 30, 2009 and 2008. For their operations and capital expenses as a subsidy for their actual deficit operations. Such appropriations are recorded as revenue as realized in the period stated in the grant.

During the fiscal year ended on June 30, 2007, the Diabetes Center received a special appropriation from Commonwealth of Puerto Rico Legislature of \$700,000 for operations and capital acquisitions of a new outpatient surgery and pharmacy units to be implemented and in operations during the fiscal year ended.

Recent Accounting Developments

GASB Statement No. 39 "Determining Whether Certain Organizations Are Component Units" provides additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. The impact of this statement on the Diabetes Center's financial statements has not yet been determined.

**CENTER OF DIABETES FOR PUERTO RICO**  
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**Notes to Financial Statements (continued)**  
**June 30, 2009 and 2008**

Note 2 – Deposits

This year the Diabetes Center adopted GASB Statement No. 40 “Deposit and Investment Risk Disclosures” an amendment of GASB Statement No. 3.

**Custodial credit risk for deposits** is the risk that in the event of bank failure, the Diabetes Center may not be able to recover deposits that are in the possession of an outside party. The carrying amount of deposits as of June 30, 2009 and 2008 are \$1,469,775 and \$954,476 respectively, from the bank statements balance, is not insured or collateralized because such amounts are over the Federal Deposit Insurance Corporation insured amount of \$250,000, which is the collateral requirement of the Commonwealth’s banking regulations. But such financial institutions are highly respectable financial institution with strong credit rating and management believes that credit risk related to these deposits is minimal.

**Concentration of credit risk** – the Diabetes Center has deposits amounting to \$1,647,291 and \$1,367,078 in one financial institution, representing more than 5% of total deposits as of June 30, 2009 and 2008 respectively. The Diabetes Center’s deposit guidelines specify that no more than 5% of a manager’s assets at market shall be deposited in one single institution.

Note 3 – Account Receivable

Accounts receivable at June 30, 2009 and 2008 are as follows:

Patients and third-party payers	\$ 128,239	\$ 125,962
Less: allowance for doubtful accounts	<u>( 86,562)</u>	<u>( 86,562)</u>
	41,677	39,400
Other receivable	<u>23,059</u>	<u>44,711</u>
Accounts receivable, net	\$ <u>64,736</u>	\$ <u>84,111</u>

Note 4 – Account Receivable from Restricted Donation Grants

The Diabetes Center receives during the year several donations or grants directed to a specific propose. Many of them are for the investigation in diabetic patients of these funds the Diabetes Center have a gain of an approximately of 10% after incurring in the payment of the laboratories, medical studies and professional service personnel in charge of the investigation monitories. As of June 30, 2009 and 2008 the account receivable from restricted donation grants amounted to approximately \$77,836 and \$81,069, respectively.

**CENTER OF DIABETES FOR PUERTO RICO**  
**(A Component Unit of the Commonwealth of Puerto Rico)**

**Notes to Financial Statements (continued)**  
**June 30, 2009 and 2008**

Note 4 -- Account Receivable from Restricted Donation Grants -- (Continued)

In addition, there is a pending inter fund transfer between unrestricted cash funds and the restricted cash funds as of June 30, 2009 and 2008 of \$33,305, which represents of monies deposited on the unrestricted funds accounts when it should be deposited on the restricted fund.

Note 5 -- Property and Equipment

Property and equipment at June 30, 2009 and 2008:

	<u>Estimated Useful Lives</u>		
Furniture and equipment	3 to 10 yrs	\$ 820,605	\$ 817,830
Automobiles	5 to 10 yrs	20,993	20,993
Leasehold Improvements	30 yrs	903,214	903,214
		<u>1,744,812</u>	<u>1,742,037</u>
Less accumulated depreciation		(818,858)	(722,444)
Less accumulated amortization – leasehold		<u>(196,076)</u>	<u>(165,969)</u>
Total		<u>\$ 729,878</u>	<u>\$ 853,624</u>

Note 6 – Rent Payable

The Diabetes Center rents its facilities through operating lease agreement in which the latest expires in March 2011, with an auto-renewal clause for five (5) more years. Rent expense under such lease agreements for the year ended June 30, 2009 and 2008 amounted to approximately \$126,100.

As of June 30, 2009 and 2008 it has an outstanding balance payable to the landlord of \$21,016 and \$10,508, respectively. Future minimum lease payments as of June 30, 2009 are as follows:

<u>Year ending June 30,</u>	<u>Amounts</u>
2010	126,090
2011	<u>94,568</u>
	<u>\$220,658</u>

**CENTER OF DIABETES FOR PUERTO RICO**  
**(A Component Unit of the Commonwealth of Puerto Rico)**

**Notes to Financial Statements (continued)**  
**June 30, 2009 and 2008**

Note 7 – Retirement Plan

The Diabetes Center participates in a defined contribution plan which covers all full-time employees who have one year of service and are age twenty-one or older. The employees contribute up to the lesser of 10% of their pretax annual compensation or \$11,000. The Diabetes Center matching contribution to the plan equal 50% of employee contributions up to 3% of the base compensation for all eligible employees. As of June 30, 2009 and 2008 the Diabetics Center made contribution to the plan or charged to pension cost in the amount of \$3,843 and \$7,006, respectively.

Note 8 – Patient Service Revenue, net

Patient service revenue is recorded at established rates and is reduced by contractual adjustments, charity allowances and policy discounts to arrive at patient service revenue, net. Contractual adjustments that are subject to retroactive calculation arising under reimbursement agreements with third-party payors are accrued as estimated in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Patient service revenues as of June 30, 2009 and 2008, net are as follows:

Gross patient service revenue	\$78,703	\$ 90,139
Less provision for contractual adjustments under third-party reimbursement programs	( 16,092)	( 26,385)
Patient service revenues, net	<u>\$ 62,611</u>	<u>\$ 63,754</u>

Note 9 – Government Subsidy

The Commonwealth of Puerto Rico government granted for the fiscal years ended on 2009 and 2008 to the Diabetes Center appropriations to subsidize its operations in the amount of \$1,000,000.

Note 10 – Other Operating Revenues

Other operating revenues for the year ended June 30, 2009 and 2008 consisted of:

Nutritional-store sales	\$ 31,202	\$ 45,806
Grants revenues	2,848	66,838
Other Income	-	<u>5,900</u>
Total other operating revenues	<u>\$ 34,050</u>	<u>\$118,544</u>

**CENTER OF DIABETES FOR PUERTO RICO**  
**(A Component Unit of the Commonwealth of Puerto Rico)**

**Notes to Financial Statements (continued)**  
**June 30, 2009 and 2008**

Note 11 – Reclassifications

Certain reclassifications have been made to prior year financial statements to conform to the current year presentation.



**SUPPLEMENTARY INFORMATION**

**CENTER OF DIABETICS FOR PUERTO RICO**  
**(A Component Unit of the Commonwealth of Puerto Rico)**

**Donation - Grants Schedule**

**Year ended June 30, 2009**

<u>Description</u>	<u>Grant Amount</u>	<u>Amount Received</u>	<u>Amount Expense</u>	<u>Unearned Amount</u>	<u>Account Receivable</u>
Dra. Perez Investigation	\$ 274,650	\$ 274,650	\$ 255,607	\$ 19,043	\$ -
Abbott - Protocol M03-599	12,946	12,946	11,476	1,470	-
Britol Myers - Protocol MB 102-008-134	6,886	6,886	102	6,784	-
Merck & Co Investigation	2,842	2,842	-	2,842	-
Eli Lilly - Protocol F3Z-US-100V	44,536	25,010	16,010	9,000	19,526
Eli Lilly - Protocol - F3Z-MC-1001	11,816	11,816	9,453	2,363	-
Abbott Lab - Protocol - MO5-749	64,400	6,090	6,648	58,310	58,310
Abbott - Investigation - ABT-335	1,500	1,500	-	1,500	-
Novo Nordisk	64,615	64,615	64,615	-	-
	<u>\$ 484,191</u>	<u>\$ 406,355</u>	<u>\$ 363,911</u>	<u>\$ 101,312</u>	<u>\$ 77,836</u>

**CENTER OF DIABETICS FOR PUERTO RICO**  
**(A Component Unit of the Commonwealth of Puerto Rico)**

**Donation - Grants Schedule**

**Year ended June 30, 2008**

<u>Description</u>	<u>Grant Amount</u>	<u>Amount Received</u>	<u>Amount Expense</u>	<u>Unearned Amount</u>	<u>Account Receivable</u>
Dra. Perez Investigation	\$ 274,650	\$ 274,650	\$ 255,607	\$ 19,043	\$ -
Abbott - Protocol M03-599	12,946	12,946	11,476	1,470	-
Britol Myers - Protocol MB 102-008-134	6,886	6,886	102	6,784	-
Merck & Co Investigation	2,842	2,842	-	2,842	-
Eli Lilly - Protocol F3Z-US-100V	44,536	21,777	13,163	8,614	22,759
Eli Lilly - Protocol - F3Z-MC-1001	11,816	11,816	9,453	2,363	-
Abbott Lab - Protocol - MO5-749	64,400	6,090	6,648	58,310	58,310
Abbott - Investigation - ABT-335	1,500	1,500	-	1,500	-
Novo Nordisk	<u>65,000</u>	<u>65,000</u>	<u>64,615</u>	<u>385</u>	<u>-</u>
	<u>\$ 484,576</u>	<u>\$ 403,507</u>	<u>\$ 361,063</u>	<u>\$ 101,311</u>	<u>\$ 81,069</u>

**CENTER OF DIABETICS FOR PUERTO RICO**  
**(A Component Unit of the Commonwealth of Puerto Rico)**

**Operating Expenses - General and Administrative**

**Years ended June 30, 2009 and 2008**

Medical Insurance		
Bank charges expenses	\$ -	\$ 296
Credit Cards Payments	3,075	-
Dues and subscriptions expenses	-	2,885
Office expenses	6,144	7,554
Telephone expenses	11,802	8,085
Postage and mailing expenses	328	442
Auto expenses	227	569
Equipment rental expense	8,402	16,989
Maintenance expense	5,783	7,560
Pension plan expense	3,843	4,145
Parking of employees	5,647	4,799
Miscellaneous expenses	<u>8,011</u>	<u>8,571</u>
 Total general and administrative expenses	 <u>\$ 53,262</u>	 <u>\$ 61,895</u>