

CONSEJO RENAL DE PUERTO RICO, INC.
(A Non-Profit Corporation)
Financial Statements and Independent Auditors' Report

June 30 2012 and 2011

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Member of the
American Institute of
Certified Public Accountants

INDEPENDENT AUDITOR REPORT

To the Board of Directors
Consejo Renal de Puerto Rico, Inc.
San Juan, Puerto Rico

We have audited the accompanying statements of net assets of Consejo Renal de Puerto Rico, Inc. (a not for profit corporation) as of June 30, 2012 and 2011, and the related statements of activities, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. 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 misstatements. 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 Consejo Renal de Puerto Rico, Inc. as of June 30, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information accompanying the financial statements for the periods ended on June 30, 2012 and 2011, is presented of purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Fernández Valdivia & Company, P.S.C.

February 28, 2013

Stamp number
affixed to original.

2670394



Consejo Renal de Puerto Rico, I.
(A Non-Profit Corporation)
Statement of Net Assets
June 30, 2012

	Unrestricted net assets	<u>Permanently restricted net assets</u>			
	<u>Unassigned</u>	<u>Immunosuppressive</u>	<u>United Ways</u>	<u>Legislative donation</u>	<u>Totals</u>
Cash	\$ 1,308	\$ 5,370	\$ 14,434	\$ 16,815	\$ 37,927
Investments	1,335,587	-	-	-	1,335,587
Accounts receivable, net	9,419	-	-	-	9,419
Other accounts receivable	19,690	-	-	-	19,690
Inventory	-	13,320	-	-	13,320
Property and equipment - net	27,594	-	-	-	27,594
Other assets	9,406	-	-	-	9,406
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,403,004</u>	<u>\$ 18,690</u>	<u>\$ 14,434</u>	<u>\$ 16,815</u>	<u>\$ 1,452,943</u>
Liabilities and Net Assets					
Accounts payable	\$ 13,667	\$ -	\$ -	\$ -	\$ 13,667
Accrued expenses	40,272	-	-	-	40,272
Line of credit	795,292	-	-	-	795,292
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	849,231	-	-	-	849,231
Net assets:					
Unassigned	553,773	-	-	-	553,773
Restricted	<u>-</u>	<u>18,690</u>	<u>14,434</u>	<u>16,815</u>	<u>49,939</u>
Total liabilities and net assets	<u>\$ 1,403,004</u>	<u>\$ 18,690</u>	<u>\$ 14,434</u>	<u>\$ 16,815</u>	<u>\$ 1,452,943</u>

The accompanying notes are an integral part of these financial statements.

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Statement of Net Assets
June 30, 2011

	<u>Unrestricted</u>		<u>Permanently restricted assets</u>			<u>Totals</u>
	<u>assets</u>					
	<u>Unassigned</u>	<u>Immunosuppressive</u>	<u>United Ways</u>	<u>Legislative donation</u>		
Cash	\$ 378	\$ -	\$ 2,447			\$ 2,825
Investments	1,302,230	-	-	-		1,302,230
Accounts receivable, net	43,881	-	-	-		43,881
Other accounts receivable	21,190	-	-	-		21,190
Inventory	-	11,167	-	-		11,167
Property and equipment - net	18,519	-	-	-		18,519
Other assets	2,820	-	-	-		2,820
	<u> </u>	<u> </u>	<u> </u>	<u> </u>		<u> </u>
Total Assets	<u>\$ 1,389,018</u>	<u>\$ 11,167</u>	<u>\$ 2,447</u>	<u>\$ -</u>		<u>\$ 1,402,632</u>

Liabilities and Net Assets

Liabilities:						
Accounts payable	\$ 85,926	\$ 3,907	\$ -	\$ 8,986		\$ 98,819
Accrued expenses	46,611	-	-	-		46,611
Line of credit	892,438	-	-	-		892,438
	<u> </u>	<u> </u>	<u> </u>	<u> </u>		<u> </u>
Total liabilities	1,024,975	3,907	-	8,986		1,037,868
Net assets:						
Unassigned	364,043	-	-	-		364,043
Restricted	-	7,260	2,447	(8,986)		721
	<u> </u>	<u> </u>	<u> </u>	<u> </u>		<u> </u>
Total liabilities and net assets	<u>\$ 1,389,018</u>	<u>\$ 11,167</u>	<u>\$ 2,447</u>	<u>\$ -</u>		<u>\$ 1,402,632</u>

The accompanying notes are an integral part of these financial statements.

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Statement of Activities and Changes in Net Assets
June 30, 2012

	<u>Unrestricted</u>		<u>Permanently restricted net assets</u>			<u>Totals</u>
	<u>net assets</u>				<u>Legislative</u>	
	<u>Unassigned</u>	<u>Immunosuppressive</u>	<u>United Ways</u>	<u>Donation</u>		
Revenues:						
Governmental appropriations	\$ -	\$ 475,000	\$ -	\$ 70,000		\$ 545,000
United Ways - donations	-	-	60,705	-		60,705
Medical services - health plans	151,793	-	-	-		151,793
Interest	13	229	41	-		283
Fund raising activities	27,573	-	-	-		27,573
Private donations	4,500	-	-	-		4,500
Others	44,769	-	-	-		44,769
Total revenues	<u>228,648</u>	<u>475,229</u>	<u>60,746</u>	<u>70,000</u>		<u>834,623</u>
Expenses:						
Operating and administrative	293,335	44,783	-	-		338,118
Immunosuppressive medicines	-	195,450	-	-		195,450
Promotional activities	76,025	-	-	-		76,025
PHT clinic programs	-	-	30,805	61,185		91,990
Depreciation	1,905	-	-	-		1,905
Total expenses	<u>371,265</u>	<u>240,233</u>	<u>30,805</u>	<u>61,185</u>		<u>703,488</u>
Change in net assets before other income/expenses	(142,617)	234,996	29,941	8,815		131,135
Investment income (interest/ dividends)	129,586	-	-	-		129,586
Realized loss on investments	(8,080)	-	-	-		(8,080)
Unrealized loss on investments	(13,694)	-	-	-		(13,694)
	<u>107,812</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>107,812</u>
Change in net assets	(34,805)	234,996	29,941	8,815		238,947
Net assets - beginning of year	364,044	7,260	2,447	(8,986)		364,765
Net transfers between funds	<u>224,534</u>	<u>(223,566)</u>	<u>(17,954)</u>	<u>16,986</u>		<u>-</u>
Net assets - end of year	<u>\$ 553,773</u>	<u>\$ 18,690</u>	<u>\$ 14,434</u>	<u>\$ 16,815</u>		<u>\$ 603,712</u>

The accompanying notes are an integral part of these financial statements.

Consejo Renal de Puerto Rico, Inc
(A Non-Profit Corporation)
Statement of Activities and Changes in Net Assets
June 30, 2011

	<u>Unrestricted</u>		<u>Permanently restricted assets</u>		<u>Totals</u>
	<u>assets</u>			<u>Legislative</u>	
	<u>Unassigned</u>	<u>Immunosuppressive</u>	<u>United Ways</u>	<u>Donation</u>	
Revenues:					
Governmental appropriations	\$ -	\$ 225,000	\$ -	\$ 74,348	\$ 299,348
Donation - United Ways	-	-	60,718	-	60,718
Medical services - health plans	193,207	-	-	-	193,207
Interest	-	71	13	-	84
Fund raising activities	7,464	-	-	-	7,464
Donations	26,329	-	-	-	26,329
Others	577	-	-	-	577
	<u>227,577</u>	<u>225,071</u>	<u>60,731</u>	<u>74,348</u>	<u>587,727</u>
Expenses:					
Operating and administrative	253,804	41,282	-	-	295,086
Immunosuppressive medicines	-	333,042	-	-	333,042
Promotional activities	9,704	-	-	-	9,704
PHT clinic programs	-	-	46,117	64,129	110,246
Depreciation	3,159	-	-	-	3,159
Interest	27,589	-	-	-	27,589
	<u>294,256</u>	<u>374,324</u>	<u>46,117</u>	<u>64,129</u>	<u>778,826</u>
Change in net assets before unrealized loss on investments	(66,679)	(149,253)	14,614	10,219	(191,099)
Unrealized loss on investments	55,225	-	-	-	55,225
Change in net assets	(11,454)	(149,253)	14,614	10,219	(135,874)
Net assets - beginning of year	459,097	43,137	575	(2,171)	500,638
Net transfers between funds	(83,600)	113,376	(12,742)	(17,034)	-
Net assets - end of year	<u>\$ 364,043</u>	<u>\$ 7,260</u>	<u>\$ 2,447</u>	<u>\$ (8,986)</u>	<u>\$ 364,764</u>

The accompanying notes are an integral part of these financial statements.

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Notes to Financial Statements
June 30, 2012 and 2011

2- Summary of Significant Accounting Policies (continued)

Contributions

The Consejo accounts for contributions in accordance with the requirements of the *Accounting for Contributions Received and Contributions Made*. The contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Net assets unrestricted

Unrestricted

Funds which the Board of Directors has discretional control over its use and may be assigned or used for any purpose deemed necessary within the operations of the Consejo.

Net assets permanently restricted

Immunosuppressive drugs program

The Consejo receives a contribution from the Puerto Rico Health Department, the use of the funds are restricted exclusively to provide Immunosuppressive drugs to kidney transplants patients.

United Ways – Community Renal Health Project

The Consejo receives an annual contribution from United Ways of Puerto Rico, a non-profit entity; such funds are restricted for the development of educational and prevention programs for the community.

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Notes to Financial Statements
June 30, 2012 and 2011

2- Summary of Significant Accounting Policies (continued)

Legislative donation

The Consejo receives a donation from the Puerto Rico Legislature which is restricted for the payment of salaries and fringe benefits of an epidemiology and an information systems coordinator.

Cash and cash equivalents

For purposes of the statement of cash flows, the Consejo considers currency on hand, certificate of deposits and highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Provision for bad debts

The Consejo accounts for the provision for bad debts based on accounts receivable aging balances. Other factors as accounts receivable trends, percentage figures of net patient revenue and collections and information of financial conditions of third-party payors, among other, are considered as part of the recognition of the provision for bad debts and/or write-off of accounts receivable.

Inventory

Inventory of supplies, consisting of controlled drugs and medicines specialized for patients with renal related diseases and other, are stated at the lower of cost or market (first-in, first-out basis).

Property and equipment

Property and equipment are recorded at cost, or if donated, at fair value at the date of receipt. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. The cost of repair and maintenance is expensed as incurred; major improvements are generally capitalized.

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Notes to Financial Statements
June 30, 2012 and 2011

2- Summary of Significant Accounting Policies (continued)

Investments

In accordance with *Accounting for Certain Investments Held by Not-for-Profit Organizations*, the Consejo recognized its investments at fair value in the statement of net assets. Unrealized gains and losses on investments are reflected in the statement of activities and changes in net assets as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Interest income and dividends are recognized in the statement of operations and changes in net assets.

Fair value of financial instruments

“Disclosures about Fair Value of Financial Instruments” requires the disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value. The carrying amount of cash, contributions and other receivables, prepaid expenses, accounts payable and accrued liabilities, none of which are held for trading purposes, approximate fair value due to the short-term maturities of these instruments.

Concentration of credit risk

Financial instruments, which potentially could subject the Consejo to concentration of credit risk, consist principally of cash deposits, investment in securities (including assets whose use is limited) and accounts receivable. The concentration of credit risk related to accounts receivable is limited in nature in result to the transactions with patients and insurance companies.

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.

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Notes to Financial Statements
June 30, 2012 and 2011

3- Accounts receivable

A summary of accounts receivable at June 30, 2012 and 2011 follows:

Medicare	\$ 9,419	\$ 70,124
Allowances for uncollectable	<u>-</u>	<u>(26,243)</u>
	<u>\$ 9,419</u>	<u>\$ 43,881</u>

4- Property and equipment

A summary of property and equipment at June 30, 2012 follows:

Office equipment and computers	\$ 93,095	\$ 82,116
Leasehold improvements	<u>27,785</u>	<u>27,785</u>
	120,880	109,901
Less: accumulated depreciation and amortization	<u>(93,286)</u>	<u>(91,382)</u>
Property and equipment, net	<u>\$ 27,594</u>	<u>\$ 18,519</u>

5- Investments

The Consejo has investments in mutual funds through a brokerage firm. The funds are invested in local and federal values exempt from income taxes.

At June 30, 2012 and 2011 the market values of these investments were as follows:

Year	Brokerage Firm	Original cost	Market value	Unrealized income during the year	Accrued unrealized income
2012	Santander Securities	\$ <u>1,321,893</u>	\$ <u>1,335,587</u>	\$ <u>13,694</u>	\$ <u>13,694</u>

Year	Brokerage Firm	Original cost	Market value	Unrealized loss during the year	Accrued unrealized loss
2011	Santander Securities	\$ <u>1,343,134</u>	\$ <u>1,302,230</u>	\$ <u>(30,993)</u>	\$ <u>(30,993)</u>

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Notes to Financial Statements
June 30, 2012 and 2011

6- Marginal credit facility

The Consejo has a marginal credit facility with a financial institution with a maximum borrowing limit of \$900,000. The outstanding balance was \$795,292 and \$892,438 as of June 30, 2012 and 2011, respectively. This marginal credit is secured by the Consejo's investments in marketable securities (see note 5 above). Interest is accrued at a variable rate computed by the "Fed Fund Target Rate" plus 1.15% (1.40% as of June 30, 2012 and 2.19% as of June 30, 2011).

The Consejo incurred interest expenses on this line of credit of \$17,462 and \$27,589 for the year ended June 30, 2012 and 2011, respectively. This line of credit contains certain covenants, and in management opinion, the Consejo is in compliance with all covenants as of June 30, 2012 and 2011.

7- Commitments

The Consejo leased office space in Hato Rey for its daily operations a month-by-month basis. Minimum annual rental payments of \$33,840 and are payable in monthly installments of \$3,182. At June 30, 2012 and 2011, the Consejo incurred in rent expenses amounting to \$42,159 and \$38,752, respectively.

The Consejo pays additional charges depending on the use of its facilities. Such additional charges relate to utilities, maintenance, etc., and change depending on the landlord operating costs.

8- Contingencies

The Consejo is defendant in labor related cases and other lawsuits arising from its operations; management and legal counsel are of the opinion that the outcome of these suits will not have a material effect on the Consejo's financial position or the results of its operations. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties.

9- Cash flow information

At June 30, 2012 and June 30, 2011 Consejo made interest payments of \$17,461 and \$27,589, respectively. In addition it made write off of accounts receivables for approximately \$62,400 as of June 30, 2012.

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Notes to Financial Statements
June 30, 2012 and 2011

10- Fair value measurements

FASB Accounting Standard Codification, Fair Value Measurements, establishes a framework for measuring fair value. That framework 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair valued hierarchy under the above mentioned standard are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan 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 assets or liabilities.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

Following is a description of the valuation methodologies used for assets measured at fair value.

Money market: Valued at the closing price reported in the active market in which the investments are traded.

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Notes to Financial Statements
June 30, 2012 and 2011

10- Fair value measurements - continued

Municipal and Corporate Bonds: Valued at the closing price reported in the active market in which the individual securities are traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Consejo believes its valuation methods are appropriated 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 Consejo's assets at fair value as of June 30, 2012 and June 30, 2011:

	2012			Total
	Level 1	Level 2	Level 3	
Corporate bonds	\$ 304,885	\$ -	\$ -	\$ 304,885
Municipal bonds	<u>1,030,702</u>	<u>-</u>	<u>-</u>	<u>1,030,702</u>
	<u>\$1,335,587</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,335,587</u>
	2011			
	Level 1	Level 2	Level 3	Total
Corporate bonds	\$ 402,512	\$ -	\$ -	\$ 402,512
Municipal bonds	<u>899,718</u>	<u>-</u>	<u>-</u>	<u>899,718</u>
	<u>\$1,302,230</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,302,230</u>

11. Subsequent events

Subsequent events have been evaluated by management through February 28 2013, which is the same date the financial statements were available to be issued.

12- Reclassifications

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

Supplementary Information
(Schedule 1)

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Statement of Functional Expenses
June 30, 2012

	<u>Unrestricted net assets</u>		<u>Permanently restricted net assets</u>		<u>Totals</u>
	<u>Unassigned</u>	<u>Immunosuppressive</u>	<u>United Ways</u>	<u>Legislative Donation</u>	
Expenses:					
Salaries and fringe benefits	\$ 78,436	\$ 28,618	\$ 13,580	\$ 59,079	\$ 179,713
Medical supplies purchases	46,950	195,450	-	-	242,400
Promotional activities	76,025	-	1,500	-	77,525
Professional services	46,817	15,165	-	-	61,982
Rent	48,415	-	-	-	48,415
Office expenses	15,452	-	13,308	1,136	29,896
Bad debts expenses	36,196	-	-	-	36,196
Depreciation	1,905	-	-	-	1,905
Interests	17,461	-	-	-	17,461
Other administrative expenses	3,608	1,000	2,417	970	7,995
	<u>371,265</u>	<u>240,233</u>	<u>30,805</u>	<u>61,185</u>	<u>703,488</u>
Total expenses	<u>\$ 371,265</u>	<u>\$ 240,233</u>	<u>\$ 30,805</u>	<u>\$ 61,185</u>	<u>\$ 703,488</u>

The accompanying notes are an integral part of these financial statements.

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Statement of Functional Expenses
June 30, 2011

	<u>Unrestricted</u>		<u>Permanently restricted assets</u>			<u>Totals</u>
	<u>assets</u>					
	<u>Unassigned</u>	<u>Immunosup</u>	<u>United</u>	<u>Legislative</u>		
		<u>pressive</u>	<u>Ways</u>	<u>Donation</u>		
Expenses:						
Salaries and fringe benefits	\$ 85,458	\$ 24,000	\$ 25,415	\$ 53,820		\$ 188,693
Medical supplies purchases	-	339,829	-	-		339,829
Discounts on medical supplies purchases	-	(6,787)	-	-		(6,787)
Promotional activities	9,704	-	-	-		9,704
Professional services	20,995	14,085	-	-		35,080
Rent	38,752	-	-	-		38,752
Office expenses	18,835	-	11,778	3,364		33,977
Provision for bad debts	26,243	-	-	-		26,243
Utilities	9,336	-	3,800	-		13,136
Laboratory services	-	-	-	-		-
Depreciation	3,159	-	-	-		3,159
Interests	27,589	-	-	-		27,589
Other administrative expenses	54,185	3,197	5,124	6,945		69,451
	<u>54,185</u>	<u>3,197</u>	<u>5,124</u>	<u>6,945</u>		<u>69,451</u>
 Total expenses	 <u>\$ 294,256</u>	 <u>\$ 374,324</u>	 <u>\$ 46,117</u>	 <u>\$ 64,129</u>		 <u>\$ 778,826</u>

The accompanying notes are an integral part of these financial statements.

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Statement of Cash Flows
June 30, 2012

	Unrestricted <u>net assets</u>	<u>Permanently restricted net assets</u>			<u>Totals</u>
	<u>Unassigned</u>	Immunosupp- <u>ressive</u>	United <u>Ways</u>	Legislative <u>Donation</u>	
Cash flows from operating activities					
<u>Change in net assets:</u>	\$ (26,726)	\$ 234,996	\$ 29,941	\$ 8,815	\$ 247,026
Adjustments to reconcile change in net assets to net cash provided by/ (used in) operating activities					
Depreciation	1,904	-	-	-	1,904
Provision for bad debts	36,196	-	-	-	36,196
Accounts receivable	(1,734)	-	-	-	(1,734)
Other accounts receivable	1,500	-	-	-	1,500
Inventory	-	(2,153)	-	-	(2,153)
Other assets	(6,586)	-	-	-	(6,586)
Accounts payable	(72,259)	(3,907)	-	(8,986)	(85,152)
Accrued expenses	(6,339)	-	-	-	(6,339)
Total adjustments	<u>(47,318)</u>	<u>(6,060)</u>	<u>-</u>	<u>(8,986)</u>	<u>(62,364)</u>
Net cash (used in) / provided by operating activities	(74,044)	228,936	29,941	(171)	184,662
Cash flows from investing activities					
Acquisition of property and equipment	(10,979)				
Realized loss on sold securities	(8,080)				
Acquisition of marketable securities	(33,357)	-	-	-	(33,357)
Net cash (used in) investing activities	<u>(52,416)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,416)</u>
Cash flows from financing activities					
Payments of line of credit	(97,146)	-	-	-	(97,146)
Transfers between funds	224,536	(223,566)	(17,954)	16,986	2
Net cash (used in) / provided by financing activities	<u>127,390</u>	<u>(223,566)</u>	<u>(17,954)</u>	<u>16,986</u>	<u>(97,144)</u>
Net increase in cash	930	5,370	11,987	16,815	35,102
Cash, beginning of year	378	-	2,447	-	2,825
Cash, end of year	<u>\$ 1,308</u>	<u>\$ 5,370</u>	<u>\$ 14,434</u>	<u>\$ 16,815</u>	<u>\$ 37,927</u>

The accompanying notes are an integral part of these financial statements.

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Statement of Cash Flows
June 30, 2011

	Unrestricted assets		Permanently restricted assets		Totals
	Unassigned	Immunosuppressive	United Ways	Legislative Donation	
Cash flows from operating activities					
<u>Change in net assets:</u>	\$ (11,454)	\$ (149,253)	\$ 14,614	\$ 10,219	\$ (135,874)
Adjustments to reconcile change in net assets to net cash provided by/ (used in) operating activities					
Depreciation	3,160	-	-	-	3,160
Accounts receivable	4,109	-	-	-	4,109
Other accounts receivable	13,159	-	-	-	13,159
Inventory	-	31,632	-	-	31,632
Other assets	-	-	-	-	-
Accounts payable	(36,282)	288,429	-	6,815	258,962
Accrued expenses	19,571	-	-	-	19,571
Total adjustments	<u>3,717</u>	<u>320,061</u>	<u>-</u>	<u>6,815</u>	<u>330,593</u>
Net cash (used in) / provided by operating activities	(7,737)	170,808	14,614	17,034	194,719
Cash flows from investing activities					
Purchase of Securities	30,993	-	-	-	30,993
Net cash (used in) investing activities	<u>30,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,993</u>
Cash flows from financing activities					
Advances from line of credit	31,775	-	-	-	31,775
Payments of line of credit	-	-	-	-	-
Transfers between funds	(83,600)	(171,146)	(12,742)	(17,034)	(284,522)
Net cash (used in) / provided by financing activities	<u>(51,825)</u>	<u>(171,146)</u>	<u>(12,742)</u>	<u>(17,034)</u>	<u>(252,747)</u>
Net increase (decrease) in cash	(28,569)	(338)	1,872	-	(27,035)
Cash, beginning of year	28,947	338	575	-	29,860
Cash, end of year	<u>\$ 378</u>	<u>\$ -</u>	<u>\$ 2,447</u>	<u>\$ -</u>	<u>\$ 2,825</u>

The accompanying notes are an integral part of these financial statements.

Consejo Renal de Puerto Rico, Inc.
(A Non-Profit Corporation)
Notes to Financial Statements
June 30, 2012 and 2011

1- Organization

The Consejo Renal de Puerto Rico, Inc. (the "Consejo") is a non-profit corporation organized under the laws of the Commonwealth of Puerto Rico in September 30, 1976. The main purpose of the Consejo is the promotion and prevention of renal diseases through education. Also, it administers the program of immunosuppressive drugs which provides medicines to kidney transplant patients.

The Consejo is exempt from corporate income tax, municipal tax and property taxes, in accordance with the various laws of the Commonwealth of Puerto Rico.

2- Summary of Significant Accounting Policies

The financial statements of the Consejo have been prepared following the recommendation of Financial Accounting Standards Board in its "Financial Statements for Not-for-Profit Organizations". That prescribes the standards for external financial statements and requires not-for-profit organizations to prepare a statement of net assets, statement of activities and changes in net assets and statement of cash flows.

The pronouncement also requires the classification of the organization's net assets and its revenues and expenses into three categories according to the existence or absence of donor-imposed restrictions -- permanently restricted, temporarily restricted, or unrestricted. In addition, pledges and unconditional promises to give are reported as temporarily restricted support upon date of notification and are then released from restrictions upon satisfaction of the time or use requirements. If a restriction is fulfilled in the same period in which the contribution is received, the Consejo reports the support as unrestricted.

Income Recognition

Contributions and donations are recognized as income when they are received or when they are unconditionally promised.