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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

SEC FILE NUMBER
8- 46982

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING JANUARY 1, 2007 AND ENDING DECEMBER 31, 2007
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: HAMILTON CAVANAUGH INVESTMENT BROKERS INC
HAMILTON CAVANAUGH & ASSOCIATES, INC.
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
661 N. BROADWAY

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

N. WHITE PLAINS NY 10603
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
MATTHEW H. SAMPSON JR 914.761.6110
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

CAPUTO & BONCARDO CPAs PC

(Name - if individual, state last, first, middle name)

538 WESTCHESTER AVE RYE BROOK NY 10573
(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

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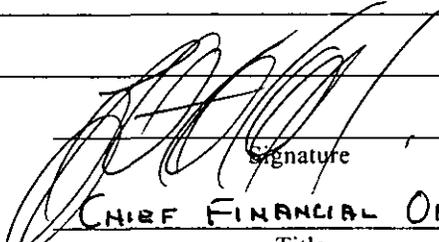
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

4/13/24

OATH OR AFFIRMATION

I, MATTHEW H. SAMPSON JR, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of HAMILTON CAVANAUGH & ASSOCIATES, INC., as of DECEMBER 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

CELESTE ANNE GOETHE
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01G06082448
QUALIFIED IN WESTCHESTER COUNTY
COMMISSION EXPIRES 10-28-~~2006~~ 2010


Signature
CHIEF FINANCIAL OFFICER
Title

Celeste Anne Goethe
Notary Public

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



CAPUTO & BONCARDO CPAs PC

CERTIFIED PUBLIC ACCOUNTANTS

538 Westchester Avenue • Rye Brook, New York 10573
Telephone: (914) 937-0880 • Fax: (914) 935-0582 • E-mail: CBCPAS@AOL.COM

Rocco Caputo, CPA
Nicholas J. Boncardo, CPA

February 20, 2008

Board of Directors
Hamilton Cavanaugh & Associates, Inc.

In planning and performing our audit of the financial statements of Hamilton Cavanaugh & Associates, Inc. as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study includes tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g), in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities we did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2007 to meet the SEC's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, The National Association of Securities Dealers, Inc., and the other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Caputo & Boncardo, CPAs P.C.
Caputo & Boncardo, CPAS P.C.
Rye Brook, New York

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HAMILTON CAVANAUGH & ASSOCIATES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

HAMILTON CAVANAUGH & ASSOCIATES, INC.

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CAPUTO & BONCARDO CPAs PC

CERTIFIED PUBLIC ACCOUNTANTS

538 Westchester Avenue • Rye Brook, New York 10573
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Rocco Caputo, CPA
Nicholas J. Boncardo, CPA

INDEPENDENT AUDITORS' REPORT

Stockholder and Directors
Hamilton Cavanaugh & Associates, Inc.
White Plains, New York

We have audited the accompanying statement of financial condition of Hamilton Cavanaugh & Associates as of December 31, 2007 and 2006, and related statements of income, changes in stockholder's equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company'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 audit 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 audit provides 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 Hamilton Cavanaugh & Associates, Inc. as of December 31, 2007 and 2006, and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained on pages 10 and 11 are presented for purposes of additional analysis and is not a required part of the basic financial statements, but page 10 is supplementary information required by rule 17a-5 of the Securities and Exchange Commission. 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.

Caputo & Boncardo, CPAs P.C.
CAPUTO & BONCARDO, CPAs P.C.

Rye Brook, New York
February 13, 2008

HAMILTON CAVANAUGH & ASSOCIATES, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2007 AND 2006

ASSETS

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS:		
Cash	\$1,297,576	\$1,056,928
Investments	222,705	138,555
Accounts receivable	26,927	33,819
Prepaid expenses and employee loans	<u>56,935</u>	<u>63,050</u>
Total current assets	<u>1,604,143</u>	<u>1,292,352</u>
PROPERTY AND EQUIPMENT:		
Equipment	630,155	573,061
Less accumulated depreciation	<u>406,164</u>	<u>317,716</u>
	<u>223,991</u>	<u>255,345</u>
OTHER ASSETS:		
Deposits	<u>4,846</u>	<u>4,846</u>
Total Assets	<u>\$1,832,980</u>	<u>\$1,552,543</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Current portion of long term debt	\$ 1,644	\$ 19,734
Accounts payable and accrued expenses	<u>516,306</u>	<u>497,147</u>
Total current liabilities	<u>517,950</u>	<u>516,881</u>
OTHER LIABILITIES:		
Long term debt, net of current portion	<u>-</u>	<u>1,644</u>
Total liabilities	<u>517,950</u>	<u>518,525</u>
STOCKHOLDERS' EQUITY:		
Common stock-no par value, 200 shares authorized, issued and outstanding	16,000	16,000
Retained earnings	<u>1,299,030</u>	<u>1,018,018</u>
Total stockholders' equity	<u>1,315,030</u>	<u>1,034,018</u>
Total liabilities and stockholders' equity	<u>\$1,832,980</u>	<u>\$1,552,543</u>

See independent auditors' report
and notes to financial statements.

HAMILTON CAVANAUGH & ASSOCIATES, INC.

STATEMENT OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Revenue:		
Gross commissions	\$5,620,161	\$5,587,819
Less commissions paid	<u>(351,921)</u>	<u>(323,113)</u>
Net commissions	5,268,240	5,264,706
Operating expenses	<u>4,262,948</u>	<u>4,160,726</u>
Income before other income	<u>1,005,292</u>	<u>1,103,980</u>
Other income:		
Unrealized gain (loss)	84,150	(5,145)
Investment and other income	<u>83,618</u>	<u>30,737</u>
	<u>167,768</u>	<u>25,592</u>
Income before income taxes	1,173,060	1,129,572
Income taxes	<u>425</u>	<u>950</u>
Net income	<u>\$1,172,635</u>	<u>\$1,128,622</u>

See independent auditors' report and notes to financial statements.

HAMILTON CAVANAUGH & ASSOCIATES, INC.
 STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
 FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007		
	Capital Stock	Retained Earnings	Total
Balance, beginning of year	\$16,000	\$1,018,018	\$1,034,018
Net income	-	1,172,635	1,172,635
Dividends paid	-	(891,623)	(891,623)
	<u>\$16,000</u>	<u>\$1,299,030</u>	<u>\$1,315,030</u>

	2006		
	Capital Stock	Retained Earnings	Total
Balance, beginning of year	\$16,000	\$1,231,000	\$1,247,000
Net income	-	1,128,622	1,128,622
Dividends paid	-	(1,341,604)	(1,341,604)
Balance, end of year	<u>\$16,000</u>	<u>\$1,018,018</u>	<u>\$1,034,018</u>

See independent auditor's report and notes to financial statements.

HAMILTON CAVANAUGH & ASSOCIATES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$1,172,635	\$1,128,622
Adjustments to reconcile net income to net cash provided by operating activities -		
Unrealized (gains) losses	(84,150)	5,145
Depreciation	88,448	81,515
(Increase) decrease in operating assets:		
Accounts receivable	6,882	(16,668)
Prepaid expenses	6,115	(9,665)
Deposits	-	(185)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	<u>19,169</u>	<u>(101,050)</u>
Net cash provided by operating activities	<u>1,209,099</u>	<u>1,087,714</u>
CASH FLOWS (USED IN) INVESTING ACTIVITIES:		
Purchase of property and equipment	(57,094)	(54,981)
Purchase of securities	-	(24,000)
Dividends paid	<u>(891,623)</u>	<u>(1,341,604)</u>
Net cash (used in) investing activities	<u>(948,717)</u>	<u>(1,420,585)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of installment note	<u>(19,734)</u>	<u>(19,734)</u>
Net cash provided by (used in) financing activities	(19,734)	(19,734)
Net increase (decrease) in cash	240,648	(352,605)
Cash, beginning of year	<u>1,056,928</u>	<u>\$1,409,533</u>
Cash, end of year	<u>\$1,297,576</u>	<u>\$1,056,928</u>
Supplemental Disclosures:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ 425</u>	<u>\$ 950</u>

See independent auditors' report and notes to financial statements.

HAMILTON CAVANAUGH & ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1. ORGANIZATION OF COMPANY

Hamilton Cavanaugh & Associates, Inc, a New York State corporation, acts as a direct participation program general securities broker. The Company is engaged in the sale of variable annuities and mutual funds.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Revenue is recognized when earned and expenditures are recognized when incurred.

Cash and equivalents

For purposes of reporting cash flows, the Company considers cash and equivalents to include money market accounts, and treasury bills with maturities of three months or less.

Property, equipment and depreciation

Property and equipment are recorded at cost. The Company provides for depreciation using straight-line and accelerated methods over the estimated useful lives of the related assets.

Income taxes

The Corporation's stockholder elected S corporation status on November 1, 2001 for Federal and New York State income tax purposes. The Corporation's income or loss is treated, for income tax purposes, substantially as if the corporation was a partnership and is reportable on the stockholder's individual income tax returns. For Federal income tax purposes, a provision for income taxes is not required. The Corporation is subject to a build-in gains tax on disposal of property and equipment and other assets that were purchased prior to November 1, 2001.

Investments

Under FAS No. 124 investments are stated at market value except mortgages and real estate which are stated at cost. Net appreciation (depreciation) in the fair value of investments, which consist of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is shown in the statement of activities, and are included in other income.

Fair value of financial instruments

Management believes the Company's carrying value of its financial instruments is a reasonable estimate of their fair value.

HAMILTON CAVANAUGH & ASSOCIATES, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2007 AND 2006

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Securities and Exchange Commission Rule 15c3-3 exemption:

The Corporation was not required to maintain a reserve account for the benefit of customers under Rule 15c3-3 of the Securities and Exchange Commission at December 31, 2007 and 2006. All transactions are cleared through another broker-dealer on a fully disclosed basis.

NOTE 3. INVESTMENTS

	<u>2007</u>		
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gains</u>
4,500 Shares, National Association of Securities Dealers, Inc.	<u>83,100</u>	<u>222,705</u>	<u>139,605</u>
	<u>\$ 83,100</u>	<u>\$ 222,705</u>	<u>\$ 139,605</u>
	<u>2006</u>		
	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gains</u>
4,500 Shares, National Association of Securities Dealers, Inc.	<u>83,100</u>	<u>138,555</u>	<u>55,455</u>
	<u>\$ 83,100</u>	<u>\$ 138,555</u>	<u>\$ 55,455</u>

HAMILTON CAVANAUGH & ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

NOTE 4. RELATED PARTY TRANSACTIONS

The officer and stockholder of Hamilton Cavanaugh & Associates, Inc. is also the stockholder and member of affiliated companies.

The Company rents office space under an annual lease agreement, in a building owned by Hamilton Cavanaugh, LLC., a related company. Rent expense to the related company for the year ended December 31, 2007 and 2006 was \$180,000.

NOTE 5. CASH

At various times during the year, the Company had balances in its operating accounts which were in excess of FDIC insurance limits. At December 31, 2007, the bank balances were in excess of FDIC insurance limits by approximately \$419,000.

Money Market Funds

The Company has Money Market Funds which are insured by SPIC up to \$500,000 and additionally insured by Bank of America Corp. At December 31, 2007 the Company had a Money Market Fund balance of \$819,189.

NOTE 6. INSTALLMENT NOTE

GMAC Financial Corp. - payable in monthly installments of \$1,644 which is principal only with no interest due. It is a 36 month loan, with the final payment due January, 2008.

Maturities of long-term debt are as follows:

<u>Year ending December 31</u>	
2008	<u>\$ 1,644</u>

NOTE 7. RENT

The Company also rents additional space under a month to month basis, from a non-related party. In addition to the month to month lease, the Company rents other facilities as needed on a short term basis. These leases are always under a year in length. Rent expense for the years ended December 2007 and 2006 was \$45,432 and \$44,877, respectively.

HAMILTON CAVANAUGH & ASSOCIATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

NOTE 8. EQUIPMENT LEASE

The Company leases equipment and vehicles. Under the terms of the leases, the future minimum annual rental payments required at December 31, 2007 are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2008	\$ 30,278
2009	25,812
2010	23,692
2011	17,403
2012	<u>14,503</u>
	<u>\$111,688</u>

Rental expense for the leases for the years ended December 31, 2007 and 2006 was \$35,084 and \$39,152, respectively.

NOTE 9. NET CAPITAL REQUIREMENT

The Corporation is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1(a)(2)(vi)), which requires the maintenance of minimum net capital of 6 2/3% of aggregate indebtedness but not less than \$5,000. Customer funds and/or securities are not handled by Hamilton Cavanaugh & Associates, Inc. As of December 31, 2007, Hamilton Cavanaugh & Associates, Inc. had \$698,778 net capital.

NOTE 10 RETIREMENT PLAN

The Company has a 401(k) plan covering substantially all eligible employees. Employees may elect to defer a portion of their salaries up to certain limits. A discretionary amount may also be contributed by the Company as determined by management at the end of each year. The Company's discretionary contributions for the years ended December 31, 2007 and 2006 were \$94,796 and \$101,194, respectively.

SUPPLEMENTAL INFORMATION

HAMILTON CAVANAUGH AND ASSOCIATES, INC.

SCHEDULE 1 - COMPUTATION OF NET CAPITAL UNDER
RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION

DECEMBER 31, 2007

Net capital:	
Stockholder's equity qualified	<u>\$1,315,030</u>
Non-allowable assets:	
Non-allowable investments	222,705
Property and equipment, net	223,991
Prepaid expenses	56,936
Security deposits	<u>4,846</u>
Total non-allowable assets:	<u>508,478</u>
Net capital before haircuts on security positions	806,552
Haircuts on securities	<u>73,727</u>
Net capital	<u>732,825</u>
Minimum net capital required:	
A.I. Liabilities from statement of of financial condition	\$ 517,950
Required minimum net capital required percentage	<u>6.67%</u>
Required minimum net capital required	<u>34,547</u>
Net capital in excess of requirement	<u>\$ 698,278</u>

See independent auditors' report and notes to financial statements.

HAMILTON CAVANAUGH & ASSOCIATES, INC.

SCHEDULE OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Officer's compensation	\$ 994,363	\$ 600,000
Employee compensation	1,101,360	1,207,929
Payroll taxes	105,492	108,116
Retirement plan	94,796	101,194
Outside consultants	225,100	203,950
Rent	225,432	224,877
Insurance	86,738	94,245
Health insurance and medical	79,712	110,895
Advertising	16,500	37,620
Business gifts	-	7,721
Professional fees	132,374	169,783
Computer consulting and maintenance	177,116	169,272
Automobile expense	75,475	74,418
Travel and lodging expense	164,996	192,740
Client promotion and sponsorships	214,462	230,602
Equipment rental and storage	37,964	41,860
Office expense	41,931	69,501
Office maintenance and repairs	11,827	37,554
Postage and shipping	22,904	23,483
Telephone	64,022	72,114
Marketing	62,174	59,291
Rubbish removal	3,976	3,281
Dues and subscriptions	30,947	41,576
Registration and membership fees	14,139	13,071
Temporary help	91,871	66,868
Continuing education and training	2,282	1,712
Seminars	9,141	10,388
Depreciation	88,448	81,515
Donations	77,624	103,078
Miscellaneous	9,782	2,072
	<u>\$4,262,948</u>	<u>\$4,160,726</u>

See independent auditors' report and notes to financial statements.

END