17.4 Consider the following financial statements for BestCare HMO, a not-for-profit managed care plan:

BestCare HMO
Statement of Operations and Change in Net Assets
Year Ended June 30, 2011
(in thousands)

Revenue:	
Premiums earned	$26,682
Co-insurance	1,689
Interest and other income	242
Total revenue	$28,613
Expenses:	
Salaries and benefits	$15,154
Medical supplies and drugs	7,507
Insurance	3,963
Provision for bad debts	19
Depreciation	367
Interest	385
Total expenses	$27,395
Net income	$ 1,218
Net assets, beginning of year	$ 900
Net assets, end of year	$ 2,118