

**Statements of Revenue and Expenses - Income Tax Basis**  
 (With the accountant's compilation report of November 11, 2009)  
 For the three months and twelve months ended September 30, 2009

	Current Period		Year to Date	
		Percentage of Revenue		Percentage of Revenue
<b><u>Revenue</u></b>				
Fees received	\$ <u>171,163.89</u>	<u>100.0</u> %	\$ <u>671,742.40</u>	<u>100.0</u> %
<b><u>Cost of Services Provided</u></b>				
Direct Costs - Schedule I	6,180.52	3.6	32,795.56	5.0
Personnel Costs - Schedule I	9,159.16	5.3	42,849.44	6.3
Practice Development Costs - Schedule I	6,110.85	3.5	28,172.69	4.2
Indirect Operating Costs - Schedule II	12,538.75	7.4	56,566.55	8.4
Administrative Expenses - Schedule II	<u>53,314.88</u>	<u>31.1</u>	<u>207,398.36</u>	<u>30.7</u>
Total Cost of Services Provided	<u>87,304.16</u>	<u>50.9</u>	<u>367,782.60</u>	<u>54.6</u>
Operating Income	83,859.73	49.1	303,959.80	45.4
<b><u>Physician's Benefits</u></b> - Schedule III	<u>135,577.62</u>	<u>79.3</u>	<u>249,740.89</u>	<u>37.2</u>
Net (Loss) Income	\$ <u>(51,717.89)</u>	<u>(30.2)</u> %	\$ <u>54,218.91</u>	<u>8.2</u> %

**Statements of Revenue and Expenses - Income Tax Basis**  
 (With the accountant's compilation report of November 11, 2009)  
 For the three months ended September 30,

	2009		2008	
		Percentage of Revenue		Percentage of Revenue
<b><u>Revenue</u></b>				
Fees received	\$ <u>171,163.89</u>	<u>100.0</u> %	\$ <u>141,544.28</u>	<u>100.0</u> %
<b><u>Cost of Services Provided</u></b>				
Direct Costs - Schedule I	6,180.52	3.6	8,468.95	5.9
Personnel Costs - Schedule I	9,159.16	5.3	10,257.61	7.2
Practice Development Costs - Schedule I	6,110.85	3.5	5,634.75	3.9
Indirect Operating Costs - Schedule II	12,538.75	7.4	11,007.24	7.7
Administrative Expenses - Schedule II	<u>53,314.88</u>	<u>31.1</u>	<u>47,768.55</u>	<u>33.7</u>
Total Cost of Services Provided	<u>87,304.16</u>	<u>50.9</u>	<u>83,137.10</u>	<u>58.4</u>
Operating Income	83,859.73	49.1	58,407.18	41.6
<b><u>Physician's Benefits</u></b> - Schedule III	<u>135,577.62</u>	<u>79.3</u>	<u>45,824.52</u>	<u>32.4</u>
Net (Loss) Income	\$ <u>(51,717.89)</u>	<u>(30.2)</u> %	\$ <u>12,582.66</u>	<u>9.2</u> %

**Statements of Revenue and Expenses - Income Tax Basis**  
 (With the accountant's compilation report of November 11, 2009)  
 For the twelve months ended September 30,

	2009		2008	
	Percentage of Revenue		Percentage of Revenue	
<b><u>Revenue</u></b>				
Fees received	\$ <u>671,742.40</u>	100.0 %	\$ <u>536,778.37</u>	100.0 %
<b><u>Cost of Services Provided</u></b>				
Direct Costs - Schedule I	32,795.56	5.0	31,517.88	5.8
Personnel Costs - Schedule I	42,849.44	6.3	45,240.95	8.5
Practice Development Costs - Schedule I	28,172.69	4.2	35,451.10	6.6
Indirect Operating Costs - Schedule II	56,566.55	8.4	50,888.08	9.3
Administrative Expenses - Schedule II	<u>207,398.36</u>	<u>30.7</u>	<u>191,601.79</u>	<u>35.8</u>
Total Cost of Services Provided	<u>367,782.60</u>	<u>54.6</u>	<u>354,699.80</u>	<u>66.0</u>
Operating Income	303,959.80	45.4	182,078.57	34.0
<b><u>Physician's Benefits</u></b> - Schedule III	<u>249,740.89</u>	<u>37.2</u>	<u>180,976.04</u>	<u>33.8</u>
Net Income	<u>\$ 54,218.91</u>	<u>8.2 %</u>	<u>\$ 1,102.53</u>	<u>0.2 %</u>

**Cost of Services Provided - Income Tax Basis - Supplementary Information**

(With the accountant's compilation report of November 11, 2009)

For the three months and twelve months ended September 30, 2009

**Schedule I**

	<u>Current Period</u>		<u>Year to Date</u>	
		<u>Percentage of Revenue</u>		<u>Percentage of Revenue</u>
<b><u>Direct Costs</u></b>				
Drugs and medications	\$ 1,260.00	0.7 %	\$ 3,104.03	0.5 %
Laboratory fees	1,121.03	0.7	11,796.10	1.8
Medical supplies	<u>3,799.49</u>	<u>2.2</u>	<u>17,895.43</u>	<u>2.7</u>
Total Direct Costs	<u>\$ 6,180.52</u>	<u>3.6 %</u>	<u>\$ 32,795.56</u>	<u>5.0 %</u>
<b><u>Personnel Costs</u></b>				
Employee welfare	\$ 705.58	0.4 %	\$ 1,312.06	0.2 %
Insurance - disability	-	-	895.78	0.1
Insurance - medical	1,422.00	0.8	5,688.00	0.8
Payroll taxes	3,033.08	1.8	12,269.32	1.8
Personnel procurement	-	-	1,207.28	0.2
Retirement plan contribution	3,583.00	2.1	15,634.00	2.3
Retirement plan - administrative cost	<u>415.50</u>	<u>0.2</u>	<u>5,843.00</u>	<u>0.9</u>
Total Personnel Costs	<u>\$ 9,159.16</u>	<u>5.3 %</u>	<u>\$ 42,849.44</u>	<u>6.3 %</u>
<b><u>Practice Development Costs</u></b>				
Advertising	\$ 4,644.00	2.7 %	\$ 21,950.80	3.3 %
Books and periodicals	716.85	0.4	1,893.08	0.3
Dues, memberships and meetings	-	-	1,328.81	0.2
Referral services	<u>750.00</u>	<u>0.4</u>	<u>3,000.00</u>	<u>0.4</u>
Total Practice Development Costs	<u>\$ 6,110.85</u>	<u>3.5 %</u>	<u>\$ 28,172.69</u>	<u>4.2 %</u>

**Cost of Services Provided - Income Tax Basis - Supplementary Information**

(With the accountant's compilation report of November 11, 2009)

For the three months and twelve months ended September 30, 2009

**Schedule II**

	<u>Current Period</u>		<u>Year to Date</u>	
		<u>Percentage of Revenue</u>		<u>Percentage of Revenue</u>
<b><u>Indirect Operating Costs</u></b>				
Answering service	\$ 213.87	0.1 %	\$ 655.44	0.1 %
Depreciation	2,508.96	1.5	3,834.53	0.6
Equipment lease	-	-	338.42	0.1
Insurance - business	266.00	0.2	1,884.00	0.3
Insurance - professional liability	-	-	4,347.00	0.6
Interest	-	-	4,631.03	0.7
Laundry and uniforms	-	-	104.20	-
Personal property tax	-	-	120.92	-
Rent	6,627.60	3.9	26,800.98	4.0
Repair and maintenance	1,015.14	0.6	4,553.70	0.7
Telephone	1,364.90	0.8	6,992.27	1.0
Utilities	<u>542.28</u>	<u>0.3</u>	<u>2,304.06</u>	<u>0.3</u>
Total Indirect Operating Costs	<u>\$ 12,538.75</u>	<u>7.4 %</u>	<u>\$ 56,566.55</u>	<u>8.4 %</u>
<b><u>Administrative Expenses</u></b>				
Bank charges	\$ 218.13	0.1 %	\$ 882.31	0.1 %
Computer expense	1,139.59	0.7	5,633.74	0.8
Donations	-	-	275.00	-
Office expense	1,645.62	1.0	8,779.51	1.3
Payroll service	865.70	0.5	2,963.75	0.4
Postage and delivery	769.21	0.4	3,819.75	0.6
Professional fees	9,766.95	5.7	31,715.55	4.7
Salaries - administration	<u>38,909.68</u>	<u>22.7</u>	<u>153,328.75</u>	<u>22.8</u>
Total Administrative Expenses	<u>\$ 53,314.88</u>	<u>31.1 %</u>	<u>\$ 207,398.36</u>	<u>30.7 %</u>

**Physician's Benefits - Income Tax Basis - Supplementary Information**

(With the accountant's compilation report of November 11, 2009)

For the three months and twelve months ended September 30, 2009

**Schedule III**

	<u>Current Period</u>		<u>Year to Date</u>	
		<u>Percentage of Revenue</u>		<u>Percentage of Revenue</u>
Dues, memberships and meetings	\$ -	- %	\$ 1,715.00	0.3 %
Insurance - disability	-	-	8,938.64	1.3
Insurance - medical	13,659.52	8.0	13,659.52	2.0
Payroll taxes	5,610.10	3.3	10,381.73	1.5
Retirement plan contribution	19,308.00	11.3	56,796.00	8.5
Salary - physician	<u>97,000.00</u>	<u>56.7</u>	<u>158,250.00</u>	<u>23.6</u>
Total Physician's Benefits	<u>\$ 135,577.62</u>	<u>79.3 %</u>	<u>\$ 249,740.89</u>	<u>37.2 %</u>

**Cost of Services Provided - Income Tax Basis - Supplementary Information**

(With the accountant's compilation report of November 11, 2009)

For the three months ended September 30,

**Schedule I**

	<u>2009</u>		<u>2008</u>	
		<u>Percentage of Revenue</u>		<u>Percentage of Revenue</u>
<b><u>Direct Costs</u></b>				
Drugs and medications	\$ 1,260.00	0.7 %	\$ -	- %
Laboratory fees	1,121.03	0.7	3,743.80	2.6
Medical supplies	<u>3,799.49</u>	<u>2.2</u>	<u>4,725.15</u>	<u>3.3</u>
Total Direct Costs	<u>\$ 6,180.52</u>	<u>3.6 %</u>	<u>\$ 8,468.95</u>	<u>5.9 %</u>
<b><u>Personnel Costs</u></b>				
Employee welfare	\$ 705.58	0.4 %	\$ 149.50	0.1 %
Insurance - medical	1,422.00	0.8	1,433.00	1.0
Payroll taxes	3,033.08	1.8	3,159.88	2.2
Personnel procurement	-	-	411.00	0.3
Retirement plan contribution	3,583.00	2.1	4,804.23	3.4
Retirement plan - administrative cost	<u>415.50</u>	<u>0.2</u>	<u>300.00</u>	<u>0.2</u>
Total Personnel Costs	<u>\$ 9,159.16</u>	<u>5.3 %</u>	<u>\$ 10,257.61</u>	<u>7.2 %</u>
<b><u>Practice Development Costs</u></b>				
Advertising	\$ 4,644.00	2.7 %	\$ 4,415.80	3.1 %
Books and periodicals	716.85	0.4	68.95	-
Dues, memberships and meetings	-	-	400.00	0.3
Referral services	<u>750.00</u>	<u>0.4</u>	<u>750.00</u>	<u>0.5</u>
Total Practice Development Costs	<u>\$ 6,110.85</u>	<u>3.5 %</u>	<u>\$ 5,634.75</u>	<u>3.9 %</u>

**Cost of Services Provided - Income Tax Basis - Supplementary Information**

(With the accountant's compilation report of November 11, 2009)

For the three months ended September 30,

**Schedule II**

	<u>2009</u>		<u>2008</u>	
		<u>Percentage of Revenue</u>		<u>Percentage of Revenue</u>
<b><u>Indirect Operating Costs</u></b>				
Answering service	\$ 213.87	0.1 %	\$ 197.34	0.1 %
Depreciation	2,508.96	1.5	37.09	-
Equipment lease	-	-	169.21	0.1
Insurance - business	266.00	0.2	224.00	0.2
Insurance - professional liability	-	-	1,146.00	0.8
Rent	6,627.60	3.9	6,627.60	4.7
Repair and maintenance	1,015.14	0.6	700.41	0.5
Telephone	1,364.90	0.8	1,313.20	0.9
Utilities	<u>542.28</u>	<u>0.3</u>	<u>592.39</u>	<u>0.4</u>
Total Indirect Operating Costs	\$ <u>12,538.75</u>	<u>7.4 %</u>	\$ <u>11,007.24</u>	<u>7.7 %</u>
<b><u>Administrative Expenses</u></b>				
Bank charges	\$ 218.13	0.1 %	\$ 184.79	0.1 %
Computer expense	1,139.59	0.7	1,296.33	0.9
Credit and collections	-	-	75.00	0.1
Office expense	1,645.62	1.0	2,840.87	2.0
Payroll service	865.70	0.5	600.25	0.4
Postage and delivery	769.21	0.4	600.00	0.4
Professional fees	9,766.95	5.7	1,939.11	1.4
Salaries - administration	<u>38,909.68</u>	<u>22.7</u>	<u>40,232.20</u>	<u>28.4</u>
Total Administrative Expenses	\$ <u>53,314.88</u>	<u>31.1 %</u>	\$ <u>47,768.55</u>	<u>33.7 %</u>

**Physician's Benefits - Income Tax Basis - Supplementary Information**

(With the accountant's compilation report of November 11, 2009)

For the three months ended September 30,

**Schedule III**

	<u>2009</u>		<u>2008</u>	
		<u>Percentage of Revenue</u>		<u>Percentage of Revenue</u>
Insurance - medical	\$ 13,659.52	8.0 %	\$ 13,659.52	9.7 %
Payroll taxes	5,610.10	3.3	1,606.50	1.1
Retirement plan contribution	19,308.00	11.3	9,558.50	6.8
Salary - physician	<u>97,000.00</u>	<u>56.7</u>	<u>21,000.00</u>	<u>14.8</u>
Total Physician's Benefits	<u>\$ 135,577.62</u>	<u>79.3 %</u>	<u>\$ 45,824.52</u>	<u>32.4 %</u>

**Cost of Services Provided - Income Tax Basis - Supplementary Information**

(With the accountant's compilation report of November 11, 2009)

For the twelve months ended September 30,

**Schedule I**

	<u>2009</u>		<u>2008</u>	
		<u>Percentage of Revenue</u>		<u>Percentage of Revenue</u>
<b><u>Direct Costs</u></b>				
Drugs and medications	\$ 3,104.03	0.5 %	\$ -	- %
Laboratory fees	11,796.10	1.8	16,326.10	3.0
Medical supplies	<u>17,895.43</u>	<u>2.7</u>	<u>15,191.78</u>	<u>2.8</u>
Total Direct Costs	<u>\$ 32,795.56</u>	<u>5.0 %</u>	<u>\$ 31,517.88</u>	<u>5.8 %</u>
<b><u>Personnel Costs</u></b>				
Employee welfare	\$ 1,312.06	0.2 %	\$ 2,001.28	0.4 %
Insurance - disability	895.78	0.1	842.66	0.2
Insurance - medical	5,688.00	0.8	5,798.00	1.1
Payroll taxes	12,269.32	1.8	11,882.25	2.2
Personnel procurement	1,207.28	0.2	3,053.26	0.6
Retirement plan contribution	15,634.00	2.3	16,069.23	3.0
Retirement plan - administrative cost	<u>5,843.00</u>	<u>0.9</u>	<u>5,594.27</u>	<u>1.0</u>
Total Personnel Costs	<u>\$ 42,849.44</u>	<u>6.3 %</u>	<u>\$ 45,240.95</u>	<u>8.5 %</u>
<b><u>Practice Development Costs</u></b>				
Advertising	\$ 21,950.80	3.3 %	\$ 29,633.84	5.5 %
Books and periodicals	1,893.08	0.3	1,140.38	0.2
Dues, memberships and meetings	1,328.81	0.2	1,676.88	0.3
Referral services	<u>3,000.00</u>	<u>0.4</u>	<u>3,000.00</u>	<u>0.6</u>
Total Practice Development Costs	<u>\$ 28,172.69</u>	<u>4.2 %</u>	<u>\$ 35,451.10</u>	<u>6.6 %</u>

**Cost of Services Provided - Income Tax Basis - Supplementary Information**

(With the accountant's compilation report of November 11, 2009)

For the twelve months ended September 30,

**Schedule II**

	<u>2009</u>		<u>2008</u>	
		<u>Percentage of Revenue</u>		<u>Percentage of Revenue</u>
<b><u>Indirect Operating Costs</u></b>				
Answering service	\$ 655.44	0.1 %	\$ 589.29	0.1 %
Depreciation	3,834.53	0.6	2,102.04	0.4
Equipment lease	338.42	0.1	507.63	0.1
Insurance - business	1,884.00	0.3	1,542.00	0.3
Insurance - professional liability	4,347.00	0.6	4,561.00	0.8
Interest	4,631.03	0.7	2,394.18	0.4
Laundry and uniforms	104.20	-	-	-
Personal property tax	120.92	-	120.72	-
Rent	26,800.98	4.0	25,445.73	4.7
Repair and maintenance	4,553.70	0.7	3,722.61	0.7
Telephone	6,992.27	1.0	7,494.75	1.4
Utilities	<u>2,304.06</u>	<u>0.3</u>	<u>2,408.13</u>	<u>0.4</u>
Total Indirect Operating Costs	<u>\$ 56,566.55</u>	<u>8.4 %</u>	<u>\$ 50,888.08</u>	<u>9.3 %</u>
<b><u>Administrative Expenses</u></b>				
Bank charges	\$ 882.31	0.1 %	\$ 959.90	0.2 %
Computer expense	5,633.74	0.8	6,267.44	1.2
Credit and collections	-	-	75.00	-
Donations	275.00	-	475.00	0.1
Office expense	8,779.51	1.3	9,553.20	1.8
Payroll service	2,963.75	0.4	2,565.60	0.5
Postage and delivery	3,819.75	0.6	3,133.95	0.6
Professional fees	31,715.55	4.7	20,316.18	3.8
Salaries - administration	<u>153,328.75</u>	<u>22.8</u>	<u>148,255.52</u>	<u>27.6</u>
Total Administrative Expenses	<u>\$ 207,398.36</u>	<u>30.7 %</u>	<u>\$ 191,601.79</u>	<u>35.8 %</u>

**Physician's Benefits - Income Tax Basis - Supplementary Information**

(With the accountant's compilation report of November 11, 2009)

For the twelve months ended September 30,

**Schedule III**

	<u>2009</u>		<u>2008</u>	
		<u>Percentage of Revenue</u>		<u>Percentage of Revenue</u>
Continuing education	\$ -	- %	\$ 343.00	0.1 %
Dues, memberships and meetings	1,715.00	0.3	2,073.61	0.4
Insurance - disability	8,938.64	1.3	8,938.64	1.7
Insurance - medical	13,659.52	2.0	21,035.66	3.9
Payroll taxes	10,381.73	1.5	4,851.63	0.9
Retirement plan contribution	56,796.00	8.5	49,983.50	9.3
Salary - physician	<u>158,250.00</u>	<u>23.6</u>	<u>93,750.00</u>	<u>17.5</u>
Total Physician's Benefits	<u>\$ 249,740.89</u>	<u>37.2 %</u>	<u>\$ 180,976.04</u>	<u>33.8 %</u>