

**Main Street Medical Office  
OPERATING BUDGET FOR 2011**

|                                  |                | JAN            | FEB          | MAR          | APR          | MAY           | JUNE         | JULY          | AUG           | SEPT          | OCT          | NOV          | DEC            | TOTAL          |
|----------------------------------|----------------|----------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|---------------|--------------|--------------|----------------|----------------|
| <b>INCOME</b>                    |                |                |              |              |              |               |              |               |               |               |              |              |                |                |
| Professional Fees                | \$3,958,456.20 | 329,871.35     | 329,871.35   | 329,871.35   | 329,871.35   | 329,871.35    | 329,871.35   | 329,871.35    | 329,871.35    | 329,871.35    | 329,871.35   | 329,871.35   | 329,871.35     | \$3,958,456.20 |
| Other Revenue                    | 24,000.00      | 2,000.00       | 2,000.00     | 2,000.00     | 2,000.00     | 2,000.00      | 2,000.00     | 2,000.00      | 2,000.00      | 2,000.00      | 2,000.00     | 2,000.00     | 2,000.00       | 24,000.00      |
| Patient Refunds                  | (23,252.00)    | (1,937.67)     | (1,937.67)   | (1,937.67)   | (1,937.67)   | (1,937.67)    | (1,937.67)   | (1,937.67)    | (1,937.67)    | (1,937.67)    | (1,937.67)   | (1,937.67)   | (1,937.67)     | (23,252.00)    |
| Refund Insurance Companies       | (8,088.00)     | (674.00)       | (674.00)     | (674.00)     | (674.00)     | (674.00)      | (674.00)     | (674.00)      | (674.00)      | (674.00)      | (674.00)     | (674.00)     | (674.00)       | (8,088.00)     |
|                                  |                | 329,259.68     | 329,259.68   | 329,259.68   | 329,259.68   | 329,259.68    | 329,259.68   | 329,259.68    | 329,259.68    | 329,259.68    | 329,259.68   | 329,259.68   | 329,259.68     | 3,951,116.20   |
| <b>EXPENSES</b>                  |                |                |              |              |              |               |              |               |               |               |              |              |                |                |
| Salaries-Physician Owners        |                | 218,692.31     | 57,692.31    | 57,692.31    | 57,692.31    | 57,692.31     | 86,538.46    | 57,692.31     | 57,692.31     | 57,692.31     | 57,692.31    | 86,538.46    | 57,692.31      | 911,000.00     |
| Payroll Taxes-FICA Physician     |                | 13,140.64      | 836.54       | 836.54       | 836.54       | 836.54        | 1,254.81     | 836.54        | 836.54        | 836.54        | 836.54       | 1,254.81     | 836.54         | 23,179.12      |
| Payroll Taxes-FUTA Physician     |                | 112.00         |              |              |              |               |              |               |               |               |              |              |                | 112.00         |
| Payroll Taxes-SUTA Physician     |                | 235.20         |              |              |              |               |              |               |               |               |              |              |                | 235.20         |
| Insurance-Physician              |                | 2,860.24       | 1,350.52     | 1,863.07     | 2,234.54     | 1,350.52      | 3,599.19     | 2,234.54      | 1,350.52      | 1,863.07      | 2,234.54     | 1,350.52     | 7,849.19       | 30,140.46      |
| Dues, Memberships, License Fees  |                | 900.00         | 584.00       | 485.00       | 600.00       | 408.00        | 953.50       | 535.00        | 580.00        | 225.00        | 1,695.00     | 1,135.00     | 1,085.00       | 9,185.50       |
| Meetings & Travel-Physician      | 20,040.00      | 1,670.00       | 1,670.00     | 1,670.00     | 1,670.00     | 1,670.00      | 1,670.00     | 1,670.00      | 1,670.00      | 1,670.00      | 1,670.00     | 1,670.00     | 1,670.00       | 20,040.00      |
| Meals & Entertainment-Phys       | 8,940.00       | 745.00         | 745.00       | 745.00       | 745.00       | 745.00        | 745.00       | 745.00        | 745.00        | 745.00        | 745.00       | 745.00       | 745.00         | 8,940.00       |
| Salaries-Primary Care Providers  |                | 5,007.69       | 5,007.69     | 5,007.69     | 5,007.69     | 5,007.69      | 7,511.54     | 5,007.69      | 5,007.69      | 5,007.69      | 5,258.08     | 7,887.12     | 10,258.08      | 70,976.35      |
| Salaries-Medical Support         |                | 33,228.15      | 33,228.15    | 33,352.55    | 33,352.55    | 33,609.53     | 50,580.79    | 33,720.53     | 33,720.53     | 33,834.53     | 34,066.30    | 51,707.37    | 59,077.32      | 463,478.28     |
| Salaries-Administrative          |                | 21,106.22      | 21,106.22    | 21,248.22    | 21,332.25    | 21,341.13     | 32,011.70    | 21,341.13     | 21,420.63     | 21,562.12     | 21,886.17    | 32,829.26    | 35,378.92      | 292,563.97     |
| Payroll Taxes-FICA Staff         |                | 4,539.67       | 4,539.67     | 4,560.05     | 4,566.48     | 4,586.81      | 6,892.96     | 4,595.31      | 4,601.39      | 4,620.93      | 4,682.61     | 7,070.42     | 8,010.64       | 63,266.92      |
| Payroll Taxes-FUTA Staff         |                | 474.74         | 435.82       | 257.47       | 123.23       | 49.83         | 33.70        | 22.47         |               | 8.08          |              |              | 9.68           | 1,443.28       |
| Payroll Taxes-SUTA Staff         |                | 598.17         | 598.17       | 600.85       | 456.32       | 421.15        | 295.73       | 76.99         | 43.35         | 28.66         | 8.08         | 12.12        | 39.16          | 1,443.28       |
| Insurance Staff                  |                | 4,024.41       | 4,134.51     | 4,134.51     | 4,134.51     | 4,134.51      | 3,385.88     | 4,134.51      | 4,134.51      | 4,134.51      | 4,134.51     | 3,385.88     | 4,134.51       | 48,006.76      |
| Pension & Retirement Benefits    |                | 8,242.70       | 1,767.70     | 1,778.36     | 1,780.65     | 1,786.73      | 2,680.09     | 2,048.39      | 2,051.57      | 2,055.83      | 2,088.08     | 3,156.43     | 82,839.04      | 112,275.56     |
| Meetings & Travel-Staff          |                | 500.00         | 3,000.00     | 500.00       | 500.00       | 500.00        | 500.00       | 500.00        | 500.00        | 500.00        | 500.00       | 500.00       | 500.00         | 8,500.00       |
| Supplies-Drugs & Medication      | 48,768.00      | 4,064.00       | 4,064.00     | 4,064.00     | 4,064.00     | 4,064.00      | 4,064.00     | 4,064.00      | 4,064.00      | 4,064.00      | 4,064.00     | 4,064.00     | 4,064.00       | 48,768.00      |
| Supplies-Medical                 | 149,508.54     | 12,459.04      | 12,459.04    | 12,459.04    | 12,459.04    | 12,459.04     | 12,459.04    | 12,459.04     | 12,459.04     | 12,459.04     | 12,459.04    | 12,459.04    | 12,459.04      | 149,508.54     |
| Supplies-Administrative          | 18,960.00      | 1,580.00       | 1,580.00     | 1,580.00     | 1,580.00     | 1,580.00      | 1,580.00     | 1,580.00      | 1,580.00      | 1,580.00      | 1,580.00     | 1,580.00     | 1,580.00       | 18,960.00      |
| Supplies-Medical Forms           | 7,908.00       | 659.00         | 659.00       | 659.00       | 659.00       | 659.00        | 659.00       | 659.00        | 659.00        | 659.00        | 659.00       | 659.00       | 659.00         | 7,908.00       |
| Supplies-Housekeeping/Mail       | 948.00         | 79.00          | 79.00        | 79.00        | 79.00        | 79.00         | 79.00        | 79.00         | 79.00         | 79.00         | 79.00        | 79.00        | 79.00          | 948.00         |
| Supplies-Computer                | 5,172.00       | 431.00         | 431.00       | 431.00       | 431.00       | 431.00        | 431.00       | 431.00        | 431.00        | 431.00        | 431.00       | 431.00       | 431.00         | 5,172.00       |
| Laboratory Services              | 10,020.00      | 835.00         | 835.00       | 835.00       | 835.00       | 835.00        | 835.00       | 835.00        | 835.00        | 835.00        | 835.00       | 835.00       | 835.00         | 10,020.00      |
| Rent-Buildings                   | 245,220.00     | 20,435.00      | 20,435.00    | 20,435.00    | 20,435.00    | 20,435.00     | 20,435.00    | 20,435.00     | 20,435.00     | 20,435.00     | 20,435.00    | 20,435.00    | 20,435.00      | 245,220.00     |
| Utilities                        | 1,656.00       | 138.00         | 138.00       | 138.00       | 138.00       | 138.00        | 138.00       | 138.00        | 138.00        | 138.00        | 138.00       | 138.00       | 138.00         | 1,656.00       |
| Rent/Lease-Furniture & Equip     | 137,309.52     | 11,442.46      | 11,442.46    | 11,442.46    | 11,442.46    | 11,442.46     | 11,442.46    | 11,442.46     | 11,442.46     | 11,442.46     | 11,442.46    | 11,442.46    | 11,442.46      | 137,309.52     |
| Depreciation-Medical Equipment   |                | 3,170.63       | 3,170.63     | 3,170.63     | 3,170.63     | 3,170.63      | 3,170.63     | 3,170.63      | 3,170.63      | 3,170.63      | 3,170.63     | 3,170.63     | 3,170.63       | 38,047.56      |
| Depreciation-Laser Equipment     |                | 2,627.47       | 2,627.47     | 2,627.47     | 2,627.47     | 2,627.47      | 2,627.47     | 2,627.47      | 2,627.47      | 2,627.47      | 2,627.47     | 2,627.47     | 2,627.47       | 31,529.84      |
| Depreciation-Office Equipment    |                | 2,974.75       | 2,974.75     | 2,974.75     | 2,974.75     | 2,974.75      | 2,974.75     | 2,974.75      | 2,974.75      | 2,974.75      | 2,974.75     | 2,974.75     | 2,974.75       | 35,697.00      |
| Depreciation-Computer Equipment  |                | 3,563.72       | 3,563.72     | 3,563.72     | 3,563.72     | 3,563.72      | 3,563.72     | 3,563.72      | 3,563.72      | 3,563.72      | 3,563.72     | 3,563.72     | 3,563.72       | 42,764.64      |
| Franchise Tax                    |                |                |              |              |              |               |              |               |               |               |              |              |                | 750.00         |
| Property Taxes                   |                |                |              |              |              |               | 3,100.00     |               |               |               |              |              | 8,132.00       | 11,232.00      |
| Main/Repair-Furniture & Equip    | 21,204.00      | 1,767.00       | 1,767.00     | 1,767.00     | 1,767.00     | 1,767.00      | 1,767.00     | 1,767.00      | 1,767.00      | 1,767.00      | 17,417.00    | 3,272.00     | 1,767.00       | 38,359.00      |
| Accounting Services              |                | 800.00         | 6,000.00     | 9,200.00     | 4,700.00     | 700.00        | 1,325.00     | 700.00        | 700.00        | 700.00        | 700.00       | 700.00       | 1,450.00       | 27,675.00      |
| Legal Services                   | 12,912.00      | 1,076.00       | 1,076.00     | 1,076.00     | 1,076.00     | 1,076.00      | 1,076.00     | 1,076.00      | 1,076.00      | 1,076.00      | 1,076.00     | 1,076.00     | 1,076.00       | 12,912.00      |
| Recruitment                      | 5,400.00       | 450.00         | 450.00       | 450.00       | 450.00       | 450.00        | 450.00       | 450.00        | 450.00        | 450.00        | 450.00       | 450.00       | 450.00         | 5,400.00       |
| Employee Development & Tr        | 2,580.00       | 215.00         | 215.00       | 215.00       | 215.00       | 215.00        | 215.00       | 215.00        | 215.00        | 215.00        | 215.00       | 215.00       | 215.00         | 2,580.00       |
| Employee Relations               | 10,380.00      | 865.00         | 865.00       | 865.00       | 865.00       | 865.00        | 865.00       | 865.00        | 865.00        | 865.00        | 865.00       | 865.00       | 865.00         | 10,380.00      |
| Uniforms & Laundry               | 2,436.00       | 203.00         | 203.00       | 203.00       | 203.00       | 203.00        | 203.00       | 203.00        | 203.00        | 203.00        | 203.00       | 203.00       | 203.00         | 2,436.00       |
| General Liability Insurance-G&A  |                | -              | -            | -            | -            | -             | -            | -             | -             | -             | -            | -            | -              | 8,000.00       |
| Professional Liability Insurance |                |                |              |              |              |               |              |               |               |               |              |              |                | 16,039.00      |
| Telephone/Internet Access        | 59,616.00      | 4,968.00       | 4,968.00     | 4,968.00     | 4,968.00     | 4,968.00      | 4,968.00     | 4,968.00      | 4,968.00      | 4,968.00      | 4,968.00     | 4,968.00     | 4,968.00       | 59,616.00      |
| Postage & Freight                | 13,380.00      | 1,115.00       | 1,115.00     | 1,115.00     | 1,115.00     | 1,115.00      | 1,115.00     | 1,115.00      | 1,115.00      | 1,115.00      | 1,115.00     | 1,115.00     | 1,115.00       | 13,380.00      |
| Printing                         | 28,500.00      | 2,375.00       | 2,375.00     | 2,375.00     | 2,375.00     | 2,375.00      | 2,375.00     | 2,375.00      | 2,375.00      | 2,375.00      | 2,375.00     | 2,375.00     | 2,375.00       | 28,500.00      |
| Books & Subscriptions            | 9,300.00       | 775.00         | 775.00       | 775.00       | 775.00       | 775.00        | 775.00       | 775.00        | 775.00        | 775.00        | 775.00       | 775.00       | 775.00         | 9,300.00       |
| Marketing                        |                | 4,778.00       | 2,420.00     | 4,778.00     | 16,070.00    | 4,778.00      | 2,420.00     | 4,778.00      | 2,420.00      | 4,778.00      | 2,420.00     | 4,778.00     | 6,420.00       | 60,838.00      |
| Amortization                     | 31,560.00      | 2,630.00       | 2,630.00     | 2,630.00     | 2,630.00     | 2,630.00      | 2,630.00     | 2,630.00      | 2,630.00      | 2,630.00      | 2,630.00     | 2,630.00     | 2,630.00       | 31,560.00      |
| Bank Fees                        | 13,620.00      | 1,135.00       | 1,135.00     | 1,135.00     | 1,135.00     | 1,135.00      | 1,135.00     | 1,135.00      | 1,135.00      | 1,135.00      | 1,135.00     | 1,135.00     | 1,135.00       | 13,620.00      |
| Interest Expense                 | 73,656.00      | 6,138.00       | 6,138.00     | 6,138.00     | 6,138.00     | 6,138.00      | 6,138.00     | 6,138.00      | 6,138.00      | 6,138.00      | 6,138.00     | 6,138.00     | 6,138.00       | 73,656.00      |
|                                  |                | 409,826.20     | 233,287.36   | 236,880.68   | 244,723.13   | 227,788.83    | 293,670.42   | 228,809.48    | 225,653.19    | 228,433.34    | 269,005.95   | 294,439.45   | 383,298.45     | 3,275,816.48   |
| <b>NET INCOME</b>                |                | \$ (80,566.52) | \$ 95,972.32 | \$ 92,379.00 | \$ 84,536.55 | \$ 101,470.86 | \$ 35,589.26 | \$ 100,450.21 | \$ 103,606.50 | \$ 100,826.34 | \$ 60,253.74 | \$ 34,820.24 | \$ (54,038.77) | \$ 675,299.72  |
| Dividends                        |                |                |              | \$36,000.00  |              |               | \$36,000.00  |               |               | \$36,000.00   |              |              | \$36,000.00    | \$ 144,000.00  |
| Net Cash after Dividends         |                | \$ (80,566.52) | \$ 95,972.32 | \$ 56,379.00 | \$ 84,536.55 | \$ 101,470.86 | \$ (410.74)  | \$ 100,450.21 | \$ 103,606.50 | \$ 64,826.34  | \$ 60,253.74 | \$ 34,820.24 | \$ (90,038.77) | \$ 531,299.72  |

## Clinic Budget Revenue

| Clinic Revenue                   | Visits Per Year             | Reimbursement        | Revenue             |
|----------------------------------|-----------------------------|----------------------|---------------------|
| Medicaid %                       | 1560                        | \$50.00              | \$78,000.00         |
| Medicare %                       | 1170                        | \$45.00              | \$52,650.00         |
| Other %                          | 390                         | \$60.00              | \$23,400.00         |
| Charity Care %                   | 390                         | \$25.00              | \$9,750.00          |
| No pay %                         | 390                         | \$0.00               | \$0.00              |
| <b>Total Visits Per Year:</b>    | <b>3900</b>                 |                      |                     |
| <b>Total Clinic Revenue:</b>     |                             |                      | <b>\$163,800.00</b> |
| <b>Lab Revenue</b>               | <b>Labs Per Year</b>        | <b>Reimbursement</b> | <b>Revenue</b>      |
| Number of labs per year          | 2340                        | \$25.00              | \$58,500.00         |
| <b>Total Lab Fees:</b>           |                             |                      | <b>\$58,500.00</b>  |
| <b>Medication Revenue</b>        | <b>Medications Per Year</b> | <b>Reimbursement</b> | <b>Revenue</b>      |
| Number of meds per year          | 1950                        | \$20.00              | \$39,000.00         |
| <b>Total Medication Revenue:</b> |                             |                      | <b>\$39,000.00</b>  |
| <b>Procedure Revenue</b>         | <b>Procedures Per Year</b>  | <b>Reimbursement</b> | <b>Revenue</b>      |
| Number of procedures per year    | 1300                        | \$20.00              | \$26,000.00         |
| <b>Total Procedure Revenue:</b>  |                             |                      | <b>\$26,000.00</b>  |
|                                  |                             | <b>Total Revenue</b> | <b>\$287,300.00</b> |

## Operating Budget

Practice Name: Summerville Family Practice

Year: 2003-2004

### REVENUES

| <u>Description</u>           | <u>Detail</u>                                      | <u>Yearly<br/>Budgeted<br/>Amount</u> |
|------------------------------|----------------------------------------------------|---------------------------------------|
| Clinic Revenue               | 325 clients per month, 3,900 total visits          | 163,800.00                            |
| Lab Revenue                  | 195 of billable labs per month, 2340 labs per year | 58,500.00                             |
| Medications Revenue          | 162 meds per month, 1,950 per year                 | 39,000.00                             |
| Procedures Revenue           | # of billable procedures done per year             | 26,000.00                             |
| Less Contractuals            | Percentage negotiated with payer                   | 114,920.00                            |
| <b>Total Clinic Revenue:</b> |                                                    | 402,220.00                            |

### EXPENSES

| <u>Description</u>                | <u>Detail</u>   | <u>Yearly<br/>Budgeted<br/>Amount</u> |
|-----------------------------------|-----------------|---------------------------------------|
| <b>Payroll</b>                    |                 |                                       |
| Provider salary                   | Total salary    | 60,000.00                             |
| Receptionist salary               |                 | 13,395.00                             |
| LPN salary                        |                 | 28,182.00                             |
| <b>Total Salary &amp; Wages:</b>  |                 | 101,577.00                            |
| Provider FICA                     | Salary x 0.0765 | 4,590.00                              |
| Receptionist FICA                 | Salary x 0.0765 | 1,024.68                              |
| LPN FICA                          | Salary x 0.0765 | 2,155.92                              |
| <b>Total FICA:</b>                |                 | 7,770.60                              |
| Unemployment                      |                 |                                       |
| Health Insurance                  |                 | 10,222.08                             |
| Life Insurance                    |                 | 2,216.00                              |
| Long Term Disability              |                 | 666.00                                |
| 401K Employer Contribution        |                 |                                       |
| <b>Total Additional Benefits:</b> |                 | 13,104.08                             |
| <b>Total Payroll:</b>             |                 | 122,451.68                            |

### Operating Expenses

|                          |                      |          |
|--------------------------|----------------------|----------|
| <b>Supplies</b>          |                      |          |
| Food                     |                      | 100.00   |
| Misc. Supplies           |                      | 1,000.00 |
| Medications              |                      | 5,000.00 |
| Medical Supplies         |                      | 4,500.00 |
| Office Supplies          |                      | 500.00   |
| Printing ??              |                      | 500.00   |
| Postage                  | UPS, Fed Ex, Postage | 500.00   |
| <b>Professional Fees</b> |                      |          |
| Consulting               | Accountants fees     | 1,000.00 |
| Audit Fee                |                      | 1,500.00 |



|                                              |                                                                                              |                        |
|----------------------------------------------|----------------------------------------------------------------------------------------------|------------------------|
| Legal Fees                                   |                                                                                              | 1,500.00               |
| Licensing Fees                               | Clinic                                                                                       | 300.00                 |
| Bank Fees                                    |                                                                                              | 250.00                 |
| Advertising                                  |                                                                                              | 5,000.00               |
| <b>Insurance</b>                             |                                                                                              |                        |
| Worker's Compensation                        |                                                                                              | 1,575.00               |
| Gen/Pro/Med Mal                              | Liability, Professional Liability, Employment<br>practice liability, Property Insurance, etc | 15,000.00              |
| Umbrella Ins.                                |                                                                                              | 830.00                 |
| D&O Ins.                                     |                                                                                              | 1,000.00               |
| <b>Professional Development</b>              |                                                                                              |                        |
| Meetings & Conf.                             | Continuing education for provider and staff                                                  | 1,000.00               |
| Memberships, etc.                            | Exp. Rural Health Association                                                                | 300.00                 |
| Travel & Entert.                             | Monies for getting to conferences                                                            | 1,000.00               |
| <b>Facility</b>                              |                                                                                              |                        |
| Telephone                                    | Regular Service                                                                              | 1,800.00               |
|                                              | Internet Access                                                                              | 300.00                 |
| Utilities                                    | Water, Electric, Garbage                                                                     | 5,000.00               |
| Small Equipment & Tools                      |                                                                                              | 300.00                 |
| Equipment Rental                             |                                                                                              | 1,200.00               |
| Capital Equipment                            |                                                                                              | 10,000.00              |
| Rent or mortgage                             |                                                                                              | 7,200.00               |
| Maintenance                                  | cleaning service, building & grounds<br>upkeep, etc                                          | 1,600.00               |
| <b>Total operating expenses:</b>             |                                                                                              | 69,755.00              |
| <b>TOTAL EXPENSES</b>                        |                                                                                              | 192,206.68             |
|                                              |                                                                                              | <b><u>Yearly</u></b>   |
|                                              |                                                                                              | <b><u>Budgeted</u></b> |
|                                              |                                                                                              | <b><u>Amount</u></b>   |
| <b>Net Income(Loss) [Revenue - Expenses]</b> |                                                                                              | - 210,013.32           |