

**MED X COUNSELING SERVICE, INC.
NEW ROADS, LOUISIANA**

**COMPILATION FINANCIAL REPORT
JUNE 30, 2012**

MED X COUNSELING SERVICE, INC.
NEW ROADS, LOUISIANA
JUNE 30, 2012

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CERTIFIED PUBLIC ACCOUNTANTS

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
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ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Med X Counseling Service, Inc.
New Roads, Louisiana

We have compiled the accompanying balance sheet of Med X Counseling Service, Inc. (a corporation) as of June 30, 2012 and the related statement of income and retained earnings and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.



Major, Morrison & David
New Roads, Louisiana
November 26, 2012

Med X Counseling Service, Inc.

Balance Sheet

June 30, 2012

ASSETS

Current Assets	
Cash and cash equivalents	\$ 3,521
Prepaid taxes	320
Accounts receivable	-
Deferred tax asset	1,663
Total Current Assets	<u>5,504</u>
Property and Equipment	
Property & equipment	108,011
Less - Accumulated depreciation	(71,064)
Total Property and Equipment	<u>36,947</u>
Other Assets	
Organization expenses	325
Less - Accumulated amortization	(181)
Deposits	50
Total Other Assets	<u>194</u>
Total Assets	<u>\$ 42,645</u>

See accountants' compilation report.

Med X Counseling Service, Inc.

Balance Sheet

June 30, 2012

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities	
Bank line-of-credit	\$ 10,666
Accounts payable	-
Payroll taxes payable	1,923
Total Current Liabilities	<u>12,589</u>
Long-Term Liabilities	
Loans from stockholder	500
Deferred tax liability	920
Total Liabilities	<u>14,009</u>
SHAREHOLDERS' EQUITY	
Shareholders' Equity	
Common stock, no par authorized 1,000 shares; issued 1,000 shares	1,000
Retained earnings	27,636
Total Shareholder's Equity	<u>28,636</u>
Total Liabilities and Shareholders' Equity	<u>\$ 42,645</u>

See accountants' compilation report.

Med X Counseling Service, Inc.
Statement of Income and Retained Earnings
For The Year Ended June 30, 2012

Income	
Counseling fees	\$ 23,649
LA Rehab Services	1,883
Other services	<u>3,689</u>
Net services	<u>29,221</u>
General and administrative expenses	
Accounting	600
Advertising	703
Amortization	33
Auto & vehicle expense	170
Bank charges	357
Computer services	250
Contract services	12,905
Depreciation	4,091
Insurance	3,443
Licenses & fees	729
Miscellaneous	150
Salaries & wages	15,229
Supplies	4,341
Taxes - payroll & other	2,056
Utilities	<u>53</u>
Total General and administrative expenses	<u>45,110</u>
Income from Operations (Loss)	(15,889)
Interest expense	<u>66</u>
Income (loss) before income taxes	(15,955)
Income tax expense (benefit)	<u>(945)</u>
Net Income (Loss)	(15,010)
Retained Earnings - beginning	42,646
Retained Earnings - ending	<u><u>\$ 27,636</u></u>

See accountants' compilation report.

Med X Counseling Service, Inc.
Statement of Cash Flow
For The Year Ended June 30, 2012

Cash Flows From Operating Activities	
Net income (loss)	\$ (15,010)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities	
Depreciation	(4,091)
Deferred income taxes	7,237
Amortization of intangible assets	33
Increase (decrease) in payroll taxes	1,923
Total adjustments	<u>5,102</u>
Net Cash Provided (Used) by Operating Activities	<u>(9,908)</u>
Cash Flows From Investing Activities	
Net Cash Provided (Used) by Investing Activities	<u>-</u>
Cash Flows From Financing Activities	
Proceeds from shareholder loan	1,600
Proceeds from line-of-credit	15,800
Repayment of short-term debt	(1,100)
Repayment of line-of-credit	(5,134)
Net Cash Provided (Used) by Financing Activities	<u>11,166</u>
NET INCREASE (DECREASE) IN CASH	1,258
CASH AT BEGINNING OF YEAR	<u>2,263</u>
CASH AT END OF YEAR	<u>\$ 3,521</u>

Supplemental Disclosures

Cash Paid During the Year for:	
Interest	\$ 66

See accountants' compilation report.

**MED X COUNSELING SERVICE, INC.
NEW ROADS, LOUISIANA**

**Schedule of Current Year Findings & Responses
June 30, 2012**

FINANCIAL STATEMENT FINDINGS

There were no current year findings.

**MED X COUNSELING SERVICE, INC.
NEW ROADS, LOUISIANA**

**Schedule of Prior Year Findings
June 30, 2012**

FINANCIAL STATEMENT FINDINGS

There were no prior year findings.