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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
UNIVERSITY OF NEVADA SCHOOL OF MEDICINE
MULTISPECIALTY GROUP PRACTICE NORTH INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) SCHOOL OF MEDICINE UNIV OF NEVADA

Room/suite

City or town, state or country, and ZIP + 4
RENO, NV 89577

D Employer identification number
86-0881749

E Telephone number
(775) 327-2312

G Gross receipts $ 16,746,047

F Name and address of principal officer
NEVIN WILSON

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ MEDSCHOOLNORTH ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1992

M State of legal domicile NV

Part I Summary

1 Briefly describe the organization's mission or most significant activities
MEDICAL EDUCATION, SCIENTIFIC RESEARCH AND PATIENT CARE

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	6
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	1
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	103
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	18,321,359	16,746,047
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	0
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	18,321,359	16,746,047
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	9,877,458	8,716,924
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	9,049,365	7,803,521
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	18,926,823	16,520,445
19	Revenue less expenses Subtract line 18 from line 12	-605,464	225,602

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	2,580,760	2,401,126
21	Total liabilities (Part X, line 26)	5,205,269	4,800,033
22	Net assets or fund balances Subtract line 21 from line 20	-2,624,509	-2,398,907

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

****** 2012-05-11
Signature of officer Date

JEAN P REGAN SENIOR ASSOCIATE DEAN, FINANCE
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶ ☐	PTIN
LAUREL JACKSON	LAUREL JACKSON			

Firm's name ▶ KAFOURY ARMSTRONG & CO — Firm's EIN ▶

Firm's address ▶ 301 WEST TOLAS PLACE
FALLON, NV 89406 — Phone no ▶ (775) 423-6505

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission

THE UNIVERSITY OF NEVADA SCHOOL OF MEDICNE'S MISSION IS TO PROVIDE STATEWIDE MEDICAL EDUCATION AND PATIENT CARE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 15,355,925 including grants of $) (Revenue $ 16,746,047)

THE ORGANIZATION PROVIDES MEDICAL EDUCATION, SCIENTIFIC RESEARCH AND PATIENT CARE

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 15,355,925

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**35**		No
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ Yes ☑ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . .

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	**1a**	0		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		**1c**		
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	103		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		**3a**		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		**3b**		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .		**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		**7e**		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .		**7f**		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		**8**		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		**9b**		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O		**13a**		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**			
c	Enter the amount of reserves on hand	**13c**			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .		**14b**		

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 6		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 1		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a		No
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

JOE MAVIS
401 W SECOND STREET SUITE 231
RENO, NV 89503
(775) 784-1223

Part VII Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII . . . . . .☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) CHERYL HUG-ENGLISH DIRECTOR	10 00	X						0	0	0
(2) NEVIN WILSON PRESIDENT	21 00	X		X		X		151,314	0	0
(3) EVAN KLASS TREASURER	17 00	X		X				87,632	0	0
(4) AMY LLEWELLYN DIRECTOR	13 00	X		X				77,664	0	0
(5) DANIEL SPOGEN SECRETARY	20 00	X		X				21,854	0	0
(6) OLE THIENHAUS DIRECTOR	13 00	X		X				48,822	0	0

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								387,286	0	0

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 1

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 0

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . .	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations . . .	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶					
Program Service Revenue		Business Code				
	2a CLINICAL FEE	621110	16,746,047	16,746,047		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		16,746,047			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶					
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real / (ii) Personal				
	6a Gross Rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) . . . . . ▶					
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory					
	b Less cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss) . . . . . ▶					
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶					
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . . b					
	c Net income or (loss) from gaming activities . . ▶					
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶					
	12 **Total revenue.** See Instructions . . . ▶		16,746,047	16,746,047	0	0

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	387,286		387,286	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	7,938,586	7,938,586		
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	234,170	234,010	160	
10 Payroll taxes	156,882	156,882		
a Fees for services (non-employees) Management	1,850,802	1,850,802		
b Legal				
c Accounting	321,745	321,745		
d Lobbying				
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees				
g Other				
12 Advertising and promotion	14,929	14,929		
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	592,915	58,344	534,571	
17 Travel	22,595	22,595		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	7,932	7,932		
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	69,638	69,638		
23 Insurance				
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a SUPPLIES	2,810,969	2,577,167	233,802	
b BAD DEBT EXPENSE	921,940	921,940		
c DEAN'S TAX	373,766	373,766		
d CONTRACT SERVICES	267,658	267,658		
e PRINTING AND PUBLICAITO	97,000	97,000		
f All other expenses	451,632	442,931	8,701	
25 **Total functional expenses.** Add lines 1 through 24f	16,520,445	15,355,925	1,164,520	0
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		340,079	1	202,422
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		1,900,995	4	1,747,193
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		84,620	8	82,510
	9	Prepaid expenses and deferred charges		65,041	9	121,455
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 1,308,109			
	b	Less accumulated depreciation	10b 1,060,563	190,025	10c	247,546
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11			15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		2,580,760	16	2,401,126
Liabilities	17	Accounts payable and accrued expenses		1,442,492	17	987,318
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		3,762,777	25	3,812,715
	26	**Total liabilities.** Add lines 17 through 25		5,205,269	26	4,800,033
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		-2,624,509	27	-2,398,907
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		-2,624,509	33	-2,398,907
	34	Total liabilities and net assets/fund balances		2,580,760	34	2,401,126

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	16,746,047
2	Total expenses (must equal Part IX, column (A), line 25)	2	16,520,445
3	Revenue less expenses Subtract line 2 from line 1	3	225,602
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	-2,624,509
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	-2,398,907

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☑

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☐ Accrual ☑ Other MODIFIED ACCRUAL If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☑ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UNIVERSITY OF NEVADA SCHOOL OF MEDICINE
MULTISPECIALTY GROUP PRACTICE NORTH INC

Employer identification number
86-0881749

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

_____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☑ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2009 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	12,840,979	14,458,740	16,169,754	18,321,359	16,746,047	78,536,879
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5	12,840,979	14,458,740	16,169,754	18,321,359	16,746,047	78,536,879
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b						0
8 **Public Support** (Subtract line 7c from line 6)						78,536,879

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6	12,840,979	14,458,740	16,169,754	18,321,359	16,746,047	78,536,879
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	5,707					5,707
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	5,707					5,707
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)	12,846,686	14,458,740	16,169,754	18,321,359	16,746,047	78,542,586

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	99 990 %
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	99 920 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c column (f) divided by line 13 column (f))	17	0 010 %
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18	0 080 %

19a **33 1/3% support tests—2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☑

b **33 1/3% support tests—2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UNIVERSITY OF NEVADA SCHOOL OF MEDICINE
MULTISPECIALTY GROUP PRACTICE NORTH INC

Employer identification number
86-0881749

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other		1,308,109	1,060,563	247,546
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				247,546

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
OTHER LIABILITIES	3,812,715
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	3,812,715

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	16,746,047
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	16,520,445
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	225,602
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	0
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	225,602

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	16,746,047
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	16,746,047
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	16,746,047

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	16,520,445
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	16,520,445
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	16,520,445

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UNIVERSITY OF NEVADA SCHOOL OF MEDICINE
MULTISPECIALTY GROUP PRACTICE NORTH INC

Employer identification number
86-0881749

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) NEVIN WILSON	(i)	151,314	0	0	0	0	151,314	0
	(ii)	0	0	0	0	0	0	0
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UNIVERSITY OF NEVADA SCHOOL OF MEDICINE
MULTISPECIALTY GROUP PRACTICE NORTH INC

Employer identification number
86-0881749

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE CFO REVIEWS THE FORM 990 PRIOR TO ITS FILING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE UNIVERSITY SCHOOL OF MEDICINE MONITORS AND ENFORCES THE ORGANIZATION'S CONFLICT OF INTEREST POLICY ON BEHALF OF THE ORGANIZATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	COMPENSATION FOR THE ORGANIZATION'S TOP MANAGMENT, DIRECTORS, AND KEY EMPLOYEES ARE REVIEWED AND APPROVED BY THE BOARD OF THE UNIVERSITY SCHOOL OF MEDICINE INTEGRATED CLINICAL SERVICE CORPORATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST AND APPROVAL OF THE CFO

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UNIVERSITY OF NEVADA SCHOOL OF MEDICINE
MULTISPECIALTY GROUP PRACTICE NORTH INC

Employer identification number
86-0881749

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) MULTISPECIALTY GROUP PRACTICE SOUTH INC 1800 W CHARLESTON BLVD LAS VEGAS, NV 89102 88-0330858	PROVIDE STATEWIDE MEDICAL EDUCAITON AND PATIENT CARE	NV	501(C)(3)	LINE 9	UNIVERSITY OF NEVADA SCHOOL OF MEDICINE		No
(2) NEVADA FAMILY PRACTICE RESIDENCY PROGRAM INC 4000 E CHARESTON AUITE B-2 LAS VEGAS, NV 89104 88-0190091	PROVIDE STATEWIDE MEDICAL EDUCAITON AND PATIENT CARE	NV	501(C)(3)	LINE 9	UNIVERSITY OF NEVADA SCHOOL OF MEDICINE		No
(3) UNIVERSITY OF NEVADA SCHOOL OF MEDICINE INTEGRATED CLINICAL SERVICE CORP 401 W SECOND ST RENO, NV 895035397 88-0387136	PROVIDE STATEWIDE MEDICAL EDUCAITON AND PATIENT CARE	NV	501(C)(3)	LINE 9	UNIVERSITY OF NEVADA SCHOOL OF MEDICINE		No

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

		Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a	No
b	Gift, grant, or capital contribution to other organization(s)	1b	No
c	Gift, grant, or capital contribution from other organization(s)	1c	No
d	Loans or loan guarantees to or for other organization(s)	1d	No
e	Loans or loan guarantees by other organization(s)	1e	No
f	Sale of assets to other organization(s)	1f	No
g	Purchase of assets from other organization(s)	1g	No
h	Exchange of assets	1h	No
i	Lease of facilities, equipment, or other assets to other organization(s)	1i	No
j	Lease of facilities, equipment, or other assets from other organization(s)	1j	No
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k	No
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l	No
m	Sharing of facilities, equipment, mailing lists, or other assets	1m	No
n	Sharing of paid employees	1n	No
o	Reimbursement paid to other organization for expenses	1o	Yes
p	Reimbursement paid by other organization for expenses	1p	No
q	Other transfer of cash or property to other organization(s)	1q	No
r	Other transfer of cash or property from other organization(s)	1r	No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	UNIVERISTY OF NEVADA SCHOOL OF MEDICINE INTEGRATED CLINICAL SERVICE CORP	O		
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation

Grant Thornton

Combined Financial Statements and Report of Independent Certified Public Accountants

University of Nevada School of Medicine - Multispecialty Group Practice North, Inc.; Multispecialty Group Practice South, Inc.; and Nevada Family Practice Residency Program, Inc. (MedSchool Associates)

June 30, 2011 and 2010

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BASIC FINANCIAL STATEMENTS

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Report of Independent Certified Public Accountants

The Board of Directors of the University of Nevada School of Medicine
and the Board of Regents of the Nevada System of Higher Education

We have audited the accompanying combined balance sheet of the University of Nevada School of Medicine - Multispecialty Group Practice North, Inc, the University of Nevada School of Medicine Multispecialty Group Practice South, Inc ; and the Nevada Family Practice Residency Program, Inc. (collectively "MedSchool Associates") as of June 30, 2011 and 2010, and the related combined statements of revenues, expenses, and changes in net assets and cash flows for the years then ended These financial statements are the responsibility of MedSchool Associates' management. Our responsibility is to express an opinion on these financial statements based on our audit

We conducted our audit 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MedSchool Associate's internal control over financial reporting Accordingly, we express no such opinion An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 combined financial statements referred to above present fairly, in all material respects, the financial position of MedSchool Associates as of June 30, 2011 and 2010, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Our audit of the combined financial statements referred to above was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining information is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the combined financial statements. The combining information has been subject to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole

Management's discussion and analysis on pages 5 through 14 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it

Grant Thornton LLP

Reno, Nevada
October 27, 2011

MedSchool Associates

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

MedSchool Associates, comprised of three separate individual corporations – University of Nevada School of Medicine Multispecialty Group Practice North, Inc. (MSAN), Multispecialty Group Practice South Inc. (MSAS), and Nevada Family Practice Residency Program, Inc. (NFPRP) – presents its financial statements for fiscal year 2010-2011, with information from the prior fiscal year presented for comparison purposes. These financial statements should be read in conjunction with the audited financial statements of University of Nevada Reno. Unless otherwise indicated, where reference is to fiscal year 2010-2011, it is to the fiscal year ending June 30.

MedSchool Associate's financial statements are comprised of three statements: the Combined Balance Sheets; the Combined Statements of Revenues, Expenses and Changes in Net Assets; and the Combined Statements of Cash Flows. The Notes to the Combined Financial Statements, provided as mandated by Governmental Accounting Standards Board pronouncements, provide additional information that is essential to a full understanding of the financial statements.

These financial statements present MedSchool Associates' financial position resulting from operations over the fiscal year ended June 30, 2011. They include explanatory footnotes to explain or provide additional detail regarding the financial information presented. Where applicable, the financial statements present supplemental information regarding the individual corporations comprising MedSchool Associates.

MEDSCHOOL ASSOCIATES

The University of Nevada Reno is the only public medical school in the state. UNR's medical school has 16 clinical education departments including Family Medicine, Internal Medicine, Pediatrics, Surgery, Obstetrics/Gynecology, Psychiatry and Behavioral Sciences, as well as five nationally-recognized sciences including microbiology and biomedical engineering. The medical school was chartered in 1969 to provide statewide medical education and patient care, and continues to expand its role in the State's educational system.

In 1992 the School of Medicine established MedSchool Associates as separate, not-for-profit corporations comprised of multispecialty physicians, enabling access to diverse patient populations for medical students, residents, and fellows in an educational environment. As the State's largest faculty physician practice group, the School of Medicine employs 129 full time physicians and 35 part-time physicians in 30 different medical specialties engaged in education, patient care, and research. Treating more than 210,000 patients a year, our physician's primary goal is improving the quality of health care in Nevada. MedSchool Associates' resources are located in nine physician practice offices in Reno and thirteen physician practice offices in the Las Vegas area.

MedSchool Associates provides continued development and expansion of a physician faculty committed to meeting the health care needs of Nevada residents. MedSchool Associates generates revenue to enhance financial resources available for the School of Medicine to preserve and fulfill its multiple missions, and is therefore included in the financial statements of the University of Nevada Reno as a discrete component unit

MEDSCHOOL ASSOCIATES' FINANCIAL POSITION

The Combined Balance Sheets presents the assets, liabilities, and net assets of MedSchool Associates as of the end of fiscal year 2010-2011 The Statement contains data concerning current and noncurrent assets and liabilities, and net assets (assets less liabilities) as of the end of the fiscal year. The difference between current and noncurrent assets and liabilities is explained in the footnotes to the financial statements. The Combined Balance Sheets reflects the assets available to continue MedSchool Associates' operation and how much MedSchool Associates owes to vendors, employees, and lending institutions. Finally, the Combined Balance Sheets provides a picture of the availability of assets for expenditure by MedSchool Associates

MEDSCHOOL ASSOCIATES' FINANCIAL POSITION - Continued

The following balance sheet compares the balances at June 30, 2011 to those at June 30, 2010:

	2011	2010	Percent Change
ASSETS			
Current assets			
Cash and cash equivalents	$ 3,762,633	$ 6,536,314	(42%)
Investments	4,445,841	742,038	499%
Patient accounts receivable, net	5,556,521	6,485,607	(14%)
Other receivables	1,036,412	1,135,402	(9%)
Inventory	371,844	412,078	(10%)
Prepaid expenses and other assets	273,116	154,070	77%
Total current assets	15,446,367	15,465,509	0%
Non-current assets			
Investments	983,615	1,119,783	(12%)
Property and equipment, net	2,372,713	2,415,010	(2%)
Total assets	$18,802,695	$19,000,302	(1%)
LIABILITIES AND NET ASSETS			
Current liabilities			
Current portion of long-term notes payable and capital lease obligations	$ 404,709	$ 392,285	3%
Accounts payable	1,600,243	2,154,491	(26%)
Accrued payroll and employee related expenses	1,405,923	1,495,799	(6%)
Other accrued expenses	343,960	397,121	(13%)
Due to affiliates, net	1,462,187	1,083,660	35%
Total current liabilities	5,217,022	5,523,356	(6%)
Notes payable and capital lease obligations, net of current portion	444,789	859,108	(48%)
Total liabilities	5,661,811	6,382,464	(11%)
Net assets			
Invested in capital assets, net of related debt	1,895,737	1,667,063	14%
Unrestricted	11,245,147	10,950,775	3%
Total net assets	13,140,884	12,617,838	4%
Total liabilities and net assets	$18,802,695	$19,000,302	(1%)

MEDSCHOOL ASSOCIATES' FINANCIAL POSITION - Continued

The major components of MedSchool Associates' assets, liabilities, and net assets, as of June 30, 2011 are as follows:

MedSchool Associates' assets

MedSchool Associates' total assets decreased in fiscal 2010-2011 by $197,607 or 1% to $18,802,695. Cash and cash equivalents decrease by $2,773,681 or 42% to $3,762,633. The decrease is attributable to investment activities. Investments increased by $3,703,803 or 499% to $4,445,841. The increase was due to the Integrated Clinical Service (ICS) board approving funds to be invested by the CommonFund. The CommonFund is one of the leading investment firms for colleges, universities, foundations, and other tax-exempt organizations. These funds were primarily invested in Multi-Strategy Bond Index Funds and Equity Index Funds carried at fair value hierarchy at June 30, 2011.

Patient accounts receivable, net of contractual allowances decreased by $929,086 or 14% to $5,556,521. The decrease was due to continued improved changes in the billing and collection process, other asset categories were relatively insignificant.

Capital assets include medical equipment, computer equipment, furniture, fixtures and office equipment, buildings, vehicles, construction in progress, and leasehold improvements The spending accounted for capital additions of $784,988, including $133,373 for new medical equipment, $575,774 for computer equipment, $18,051 Furniture, fixtures and office equipment, $21,152 Vehicles and $36,638 for leasehold improvements.

Accumulated depreciation increased $673,929 or 11% to $6,320,862 at June 30, 2011. Depreciation expense for the year ended June 30, 2011 was $806,211.

MedSchool Associates' liabilities

MedSchool Associates' total liabilities decreased in fiscal 2010-2011 by $720,653 or 11% to $5,661,811. The decrease was mainly due to the decrease obligation on the revolving line of credit.

Accounts payables decreased from $2,154,491 at June 30, 2010 to $1,600,243 at June 30, 2011, a decrease of $554,248 or 26%.

Long-term liabilities decreased from $859,108 at June 30, 2010 to $444,789 at June 30, 2011, a decrease of $414,319 or 48%. This decrease was mainly due to a payment on the outstanding debt

MEDSCHOOL ASSOCIATES' FINANCIAL POSITION - Continued

MedSchool Associates' net assets

Net assets represent the residual interest in MedSchool Associates' assets after all liabilities are deducted. Medschool Associates' net assets at June 30, 2011 totaled $13,140,884, an increase of $523,046 or 4% during the year. MedSchool Associates' net assets are reported in two major categories. invested in capital assets net of related debt and unrestricted

The portion of net assets invested in capital assets, net of related debt, increased from $1,667,063 at June 30, 2010 to $1,895,737 at June 30, 2011. The increase of $228,674 was attributable to depreciation expense of $806,051 and a decrease of related debt over last year of $270,972 net of an increase of $763,753 of capital asset additions and disposals.

Under generally accepted accounting principles, net assets that are not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Although MedSchool Associates' unrestricted net assets of $11,245,147 at June 30, 2011 are not subject to externally imposed restrictions, these net assets generally result from providing or agreeing to provide health care services and receiving income from investing in income-producing assets minus expenses incurred to provide health care services, providing other community benefits and performing administrative functions. The limits on the use of unrestricted net assets are the broad limits resulting from the environment in which MedSchool Associates operates and the limits resulting from contractual agreements with suppliers, creditors and others entered into the ordinary course of business.

MEDSCHOOL ASSOCIATES' RESULTS OF OPERATIONS

The Combined Statements of Revenues, Expenses and Changes in Net Assets is a presentation of MedSchool Associates' operating results for the year. It indicates whether the financial condition has improved or deteriorated.

Generally, operating revenues are earned for providing pharmaceuticals and services to the various patients and clients of MedSchool Associates. Operating expenses are those expenses incurred to acquire or produce the pharmaceuticals and services provided in return for the operating revenues, and to carry out the MedSchool Associates' mission. Revenues and expenses for which pharmaceuticals and services are not provided, such as interest expense, are reported as non-operating revenues or expenses.

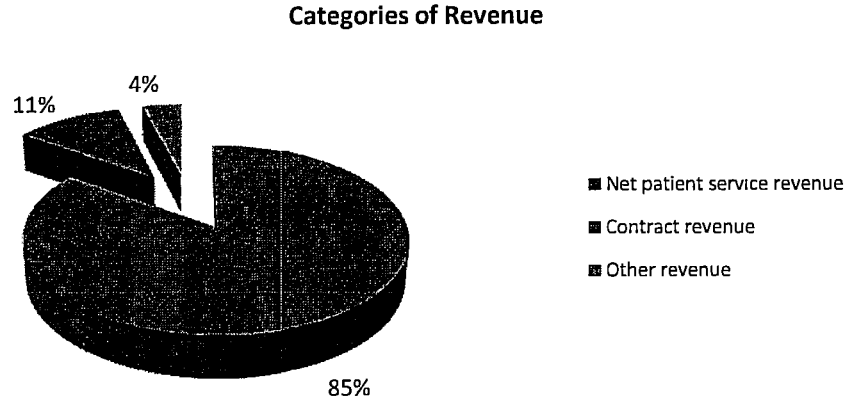
MEDSCHOOL ASSOCIATES' RESULTS OF OPERATIONS - Continued

The following table compares the results operations at June 30, 2011 to those at June 30, 2010:

	2011	2010	Percent Change
Revenues			
Net patient service revenue	$58,613,945	$61,333,578	(4%)
Contract revenue	7,355,034	8,848,338	(17%)
Other revenue	2,636,986	2,542,431	4%
Total revenues	68,605,965	72,724,347	(6%)
Operating expenses			
Employee salaries, wages and benefits	21,474,116	22,546,562	(5%)
Physician services	13,850,286	15,650,339	(12%)
Medical fees	9,206,419	10,062,122	(9%)
Supplies	10,600,574	11,329,461	(6%)
Purchased services, insurance and other	3,291,487	3,265,874	1%
Provision for uncollectible accounts	8,826,204	10,931,274	(19%)
Depreciation and amortization	806,211	931,621	(13%)
Total operating expenses	68,055,297	74,717,253	(9%)
Operating gain (loss)	550,668	(1,992,906)	(128%)
Nonoperating expense – interest	(27,622)	(120,339)	(77%)
CHANGE IN NET ASSETS	523,046	(2,113,245)	(125%)
Net assets – beginning of year	12,617,838	14,731,083	(14%)
Net assets – end of year	$13,140,884	$12,617,838	4%

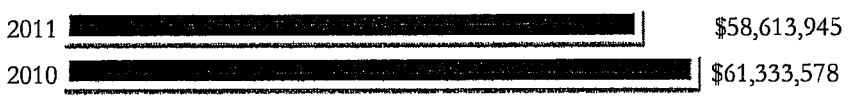
MEDSCHOOL ASSOCIATES' RESULTS OF OPERATIONS - Continued

Categories and percentages of operating and non-operating revenues that support MedSchool Associates' core activities for the year ended June 30, 2011 are as follows:



The Combined Statements of Revenues, Expenses, and Changes in Net Assets reflect a positive year with an increase in the net assets at the end of the year. A review of the individual revenue and expense categories that contributed to the overall increase in the net assets reveals the following:

Net patient service revenue



Patient service revenue, net of contract allowances and refunds, decreased by $2,719,633 or 4% for the year ended June 30, 2011 to $58,613,945 The decrease was due to a decrease in the number of patients using the facilities.

Contract revenue

Contract revenue from federal, state, and local governments, as well as private organizations decreased by $1,493,304, or about 17% to $7,355,034 for the year ended June 30, 2011 The decrease is explained by loss of contracts due to the facilities hiring their own physicians.

MEDSCHOOL ASSOCIATES' RESULTS OF OPERATIONS - Continued

Other revenues

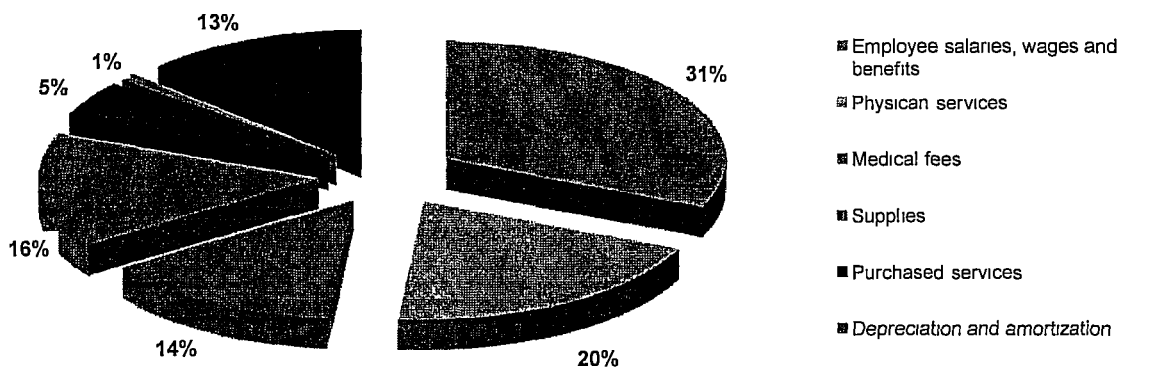
2011 $2,636,986

2010 $2,542,431

Other revenues for the year ended June 30, 2011 increased $94,555 or 4% to $2,636,986.

Categories and percentages of expenses related to MedSchool Associates' core activities for the year ended June 30, 2011 are as follows:

Categories of Expenses



Employee salaries, wages and benefits

2011 $21,474,116

2010 $22,546,562

Employee salaries, wages and benefits of $21,474,116 for the year ended June 30, 2011 decreased by $1,072,446, a decrease of 5% from the year ended June 30, 2010. The decrease is related to salary freezes and not filling vacation positions for support staff and administration.

MEDSCHOOL ASSOCIATES' RESULTS OF OPERATIONS - Continued

Physician services

2011 $13,850,286

2010 $15,650,339

Physician services of $13,850,286 for the year ended June 30, 2011 decreased by $1,800,053, or 12% from the year ended June 30, 2010, primarily due to the Center for Medicare and Medicaid Services (CMS) coverage of physician salaries for Graduate Medical Education (GME).

Medical fees

2011 $9,206,419

2010 $10,062,122

Medical fees of $9,206,419 for the year ended June 30, 2011 decreased by $855,703 or 9% from the year ended June 30, 2010. The decrease in medical fees from prior year was largely due to a reduction in the Dean's tax, as well as the rent savings from the closure of a clinic

Supplies

2011 $10,600,574

2010 $11,329,461

Supplies of $10,600,574 for the year ended June 30, 2011 decreased by $728,887 or 6% from the year ended June 30, 2010. The decrease was due to improvements made in supply management and purchasing.

Purchased services

2011 $3,291,487

2010 $3,265,874

Purchased services of $3,291,487 for the year ended June 30, 2011 increased by $25,613 or 1% from the year ended June 30, 2010. The slight increase was due to consumer price index (CPI) rate adjustments on a few contracts.

Provision for uncollectible accounts

2011 $8,826,204

2010 $10,931,274

Provision for uncollectible accounts of $8,826,204 for the year ended June 30, 2011 decreased $2,105,070 or 19% from the year ended June 30, 2010. The decrease was due to improved billing and collection procedures.

MEDSCHOOL ASSOCIATES' RESULTS OF OPERATIONS - Continued

Depreciation and amortization

2011 [redacted] $806,211

2010 [redacted] $931,621

Depreciation and amortization of $806,211 for the year ended June 30, 2011 decreased by $125,410 or 13% from the year ended June 30, 2010, reflecting assets being fully depreciated.

MEDSCHOOL ASSOCIATES' CASH FLOWS

A summary comparison of cash flows for 2011 and 2010 is as follows:

Cash Flows
For the years ended June 30,

	2011	2010
Cash provided by (used in)		
Operating activities	$1,987,385	$ 822,759
Noncapital financing activities	-	536,708
Capital and related financing activities	(1,240,109)	(1,180,382)
Investing activities	(3,520,957)	315,833
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,773,681)	494,918
Cash and cash equivalents, beginning of year	6,536,314	6,041,396
Cash and cash equivalents, end of year	$3,762,633	$6,536,314

The Combined Statements of Cash Flows presents detailed information about the cash activities of MedSchool Associates during the year. The statement is divided into five parts The first section deals with operating cash flows and shows the net cash provided by or used in the operating activities of MedSchool Associates. The second section deals with cash flows from noncapital financing activities. The third deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital assets and related items and related funding received. The fourth section reflects the cash flows from investing activities which reflects net proceeds received from the sale of investment securities. The fifth section provides a reconciliation between the Company's net loss and the net cash provided by or used in operating activities. Overall, cash and cash equivalents decreased by $2,773,681 in the fiscal year 2011

MEDSCHOOL ASSOCIATES' CASH FLOWS - Continued

Other issues

As financial pressures continue to impact MedSchool Associates and the University of Nevada School of Medicine, as well as other healthcare providers in Nevada and the rest of the country, we look for additional investment opportunities in healthcare operations and facilities to supplement and enhance our programs Through this strategy, we are continuing to augment our core activity with partnerships and other forms of alliances with physicians (within the constraints of the law), to continue to provide the local communities with state-of the-are healthcare facilities and resources. We also continue to explore other forms of hospital/physician joint ventures and other collaborative efforts

Requests for information

This report is designed to provide a general overview of the MedSchool Associates' finances for all interested parties Questions concerning the information contained in this report should be addressed to the School of Medicine Dean, MS 332, Reno, NV 89557

MedSchool Associates

COMBINED BALANCE SHEETS

June 30,

ASSETS

	2011	2010
CURRENT ASSETS		
Cash and cash equivalents	$ 3,762,633	$ 6,536,314
Investments	4,445,841	742,038
Patient accounts receivable, net of estimated contractual allowances and estimated uncollectibles totaling $6,234,222 and $5,512,476 for 2011 and 2010, respectively	5,556,521	6,485,607
Other receivables	1,036,412	1,135,402
Inventory	371,844	412,078
Prepaid expenses and other assets	273,116	154,070
Total current assets	15,446,367	15,465,509
NON-CURRENT ASSETS		
Investments	983,615	1,119,783
Property and equipment, net	2,372,713	2,415,010
Total assets	$ 18,802,695	$ 19,000,302

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of debt and capital lease obligations	$ 404,709	$ 392,285
Accounts payable	1,600,243	2,154,491
Accrued payroll and employee related expenses	1,405,923	1,495,799
Other accrued expenses	343,960	397,121
Due to affiliates, net	1,462,187	1,083,660
Total current liabilities	5,217,022	5,523,356
DEBT AND CAPITAL LEASE OBLIGATIONS, net of current portion	444,789	859,108
Total liabilities	5,661,811	6,382,464
COMMITMENTS AND CONTINGENCIES (Note I)	-	-
NET ASSETS		
Invested in capital assets, net of related debt	1,895,737	1,667,063
Unrestricted	11,245,147	10,950,775
Total net assets	13,140,884	12,617,838
Total liabilities and net assets	$ 18,802,695	$ 19,000,302

The accompanying notes are an integral part of these statements.

MedSchool Associates

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Years ended June 30,

	2011	2010
Revenues		
Net patient service revenue	$ 58,613,945	$ 61,333,578
Contract revenue	7,355,034	8,848,338
Other revenue	2,636,986	2,542,431
Total revenues	68,605,965	72,724,347
Operating expenses		
Employee salaries, wages and benefits	21,474,116	22,546,562
Physician services	13,850,286	15,650,339
Medical fees	9,206,419	10,062,122
Supplies	10,600,574	11,329,461
Purchased services, insurance and other	3,291,487	3,265,874
Provision for uncollectible accounts	8,826,204	10,931,274
Depreciation and amortization	806,211	931,621
Total operating expenses	68,055,297	74,717,253
Operating gain (loss)	550,668	(1,992,906)
Nonoperating expense - interest	(27,622)	(120,339)
CHANGE IN NET ASSETS	523,046	(2,113,245)
Net assets - beginning of year	12,617,838	14,731,083
Net assets - end of year	$ 13,140,884	$ 12,617,838

The accompanying notes are an integral part of these statements.

MedSchool Associates

COMBINED STATEMENTS OF CASH FLOWS

Years ended June 30,

	2011	2010
Cash flows from operating activities:		
Receipts from patients and third-party payors	$ 50,716,827	$ 52,437,950
Payments to employees for services and benefits	(21,563,992)	(23,226,041)
Payments to suppliers	(37,256,460)	(39,641,594)
Other receipts	10,091,010	11,252,444
Net cash provided by operating activities	1,987,385	822,759
Cash flows from noncapital financing activities:		
Proceeds from revolving line of credit	-	536,708
Net cash provided by noncapital financing activities	-	536,708
Cash flows from capital and related financing activities:		
Payments on notes payable and capital leases	(401,895)	(1,389,143)
Payments of interest	(55,227)	(72,480)
Proceeds from revolving line of credit	-	341,066
Proceeds from sale of property and equipment	2,000	-
Purchases of property and equipment	(784,987)	(59,825)
Net cash used in capital and related financing activities	(1,240,109)	(1,180,382)
Cash flows from investing activities:		
Proceeds from sales of investments	279,043	1,830,833
Purchases of investments	(3,800,000)	(1,515,000)
Net cash provided by (used in) investing activities	(3,520,957)	315,833
NET INCREASE (DECREASE) IN CASH	(2,773,681)	494,918
Cash and cash equivalents - beginning of year	6,536,314	6,041,396
Cash and cash equivalents - end of year	$ 3,762,633	$ 6,536,314
Reconciliation of gain (loss) from operations to net cash provided by operating activities:		
Operating gain (loss)	$ 550,668	$ (1,992,906)
Adjustments to reconcile operating gain (loss) to net cash provided by operating activities:		
Depreciation and amortization	806,211	931,621
Provision for uncollectible accounts	8,826,204	10,931,274
Changes in operating assets and liabilities.		
Patient accounts receivable	(7,897,118)	(8,895,628)
Other receivables	98,990	(138,325)
Inventory	40,234	(12,531)
Due to and from affiliates	378,527	673,295
Prepaid expenses and other assets	(119,046)	22,160
Accounts payable	(554,248)	(192,965)
Accrued payroll and employee related expenses	(89,876)	(679,479)
Other accrued expenses	(53,161)	176,243
Net cash provided by operating activities	$ 1,987,385	$ 822,759
Supplemental noncash investing and financing activities information:		
Loss on disposal of capital assets	$ -	$ 67,770
Interest on investments, reinvested	$ 48,632	$ 42,642

accompanying notes are an integral part of these statements.

MedSchool Associates

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2011 and 2010

NOTE A - ORGANIZATION AND OPERATIONS

MedSchool Associates North (MSAN), MedSchool Associates South (MSAS) and Nevada Family Practice Residency Program (NFPRP) are multi-specialty medical practice groups established and organized for the benefit of the University of Nevada School of Medicine (UNSOM) and its faculty physicians who are engaged in patient care activities. MSAN and MSAS were incorporated as a not-for-profit corporation on October 19, 1994, under the name University of Nevada School of Medicine Multispecialty Group Practice, Inc. as one combined entity. On July 25, 1997, MSAN became a separate not-for profit corporation under the name University of Nevada School of Medicine Multispecialty Group Practice North, Inc. MSAS remained under the original articles of incorporation until the name of the original entity changed to University of Nevada School of Medicine Multispecialty Group Practice South, Inc. NFPRP was incorporated as a not-for-profit corporation on June 17, 1983, under the name Nevada Family Practice Residency Program, Inc.

The practice administration components of the UNSOM at its Reno and Las Vegas campuses have formed an umbrella not-for-profit corporation named University of Nevada School of Medicine Integrated Clinical Services, Inc. (ICS) to integrate all functions of the practice plans statewide. The purpose is to provide strategic planning and to assure that the goals, policies and practices of MSAN, MSAS, and NFPRP operate to serve the School of Medicine within the boundaries of their vision and mission.

The combined practice plans are considered to be a component unit of the Nevada System of Higher Education, as defined by Government Accounting Standards Board (GASB) Statement 39, *Determining Whether Certain Organizations are Component Units.*

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying financial statements have been prepared by combining MSAN, MSAS, and NFPRP, which combined entities are collectively referred to as "MedSchool Associates" or the "Company". The Company uses enterprise fund accounting Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Intercompany accounts and transactions have been eliminated in combination. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Company has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, which do not conflict or contradict GASB pronouncements.

Net assets are required to be classified for accounting and reporting purposes in the following categories:

- Invested in capital assets, net of related debt – Capital assets, net of accumulated depreciation, reduced by outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- Restricted – Net assets resulting from transactions with purpose restrictions until the resources are used for the specific purpose or for as long as the provider requires the resources to remain intact.
- Unrestricted - Net assets that are neither restricted nor invested in property and equipment, net of related debt. The only limits on unrestricted net asset are broad limits resulting from the nature of the Company and the purpose specified in its articles of incorporation or by laws and limits resulting from contractual agreement, if any

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

1. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Cash and cash equivalents include demand deposit accounts and cash invested in money market funds.

3. Investments

Investments are recorded at fair value. The fair value of certificates of deposit are based on quoted market prices and other observable inputs such as quoted prices for similar assets, quoted prices in inactive markets, or inputs corroborated by observable market data The Company's pooled investments are reported at the net asset value (NAV) reported by the fund managers, which is used as a practical expedient to estimate the fair value of the Company's interest therein, unless it is probable that all or a portion of the investments will be sold for an amount different from NAV. As of June 30, 2011 and 2010, the Company had no plans or intentions to sell investments at amounts different from NAV.

4. Patient Accounts Receivable

Patient accounts receivable represents receivables under various payment agreements with third-party commercial insurance companies, governmental payors, individual patients and others for services already rendered, and includes an allowance for contractual adjustments and uncollectible accounts which are charged to operations based upon management's estimates. Contractual adjustments result from the difference between gross charges and the established or negotiated rates for physician services performed and amounts management estimates to be collected by certain third-party commercial insurance companies, government sponsored health care programs and other third parties (not including personal guarantors of patients) Bad debt adjustments include amounts deemed uncollectible by management Provisions for contractual adjustments and uncollectible amounts are estimated and recorded in the same period services are rendered.

The provisions for contractual adjustments and uncollectible accounts are determined based upon an evaluation of historical collection experience, anticipated reimbursement levels and other relevant factors. Adjustments and changes in estimates are recorded in the period in which they are determined.

5. Inventories

Inventories are valued at the lower of cost or market with cost being determined using the first-in, first-out method.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Property and Equipment

Capital asset purchases and leasehold improvements are recorded at cost, net of accumulated depreciation and amortization. Asset purchases in excess of $2,000 are capitalized. Depreciation for property and equipment purchases is calculated using the straight-line method and is provided over the estimated useful life of each class of depreciable asset of three to forty years. Depreciation for leasehold improvements is calculated using the straight-line method and is provided over the shorter of the estimated useful life of the asset or the lease term. Equipment under capital lease obligations is recorded at the present value of the minimum lease payments at the inception of the lease, and depreciated over the shorter of the lease term or the estimated useful life of the equipment.

7. Income Taxes

MSAN, MSAS and NFPRP are not-for-profit corporations as defined in Section 501 (c)(3) of the Internal Revenue Code and are exempt from federal income taxes. The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Management believes there are no amounts subject to unrelated business income tax and, therefore, no provision for income taxes has been recorded in the accompanying financial statements.

8. Net Patient Services Revenue

The Company has agreements with third-party payors that provide for payments at amounts different from the Company's established rates. A summary of the payment arrangements with major third-party payors follows:

- *Medicare* is a federal health insurance program which provides coverage for people 65 and older, for certain disabled people, and for some people with End Stage Renal Disease. Medicare reimburses physician claims based on a resource based relative value scale (RBRVS). This is a scale that assigns values to procedures in relation to one another; and is used to establish the Medicare fee schedule. The Company is paid according to the Medicare fee schedule.
- *Medicaid* is a medical coverage program jointly funded by both the states and the federal government for those residents who qualify because of an annual income which falls below the state or nationally indicted poverty level The Company is paid according to the Medicaid fee schedule.
- *Commercial and Other Insurance* – The Company has entered into agreements with numerous nongovernmental third-party payors to provide patient care to beneficiaries under a variety of payment arrangements. These include contracts with commercial insurance companies and workers' compensation plans, which reimburse the Company on a fee schedule, a percentage of billed charges, or a percentage of RBRVS.

Net patient service revenue is reported when services are provided to patients at the estimated net realizable amounts from patients, third-party payors including Medicare and Medicaid, and others for services rendered, including estimated retroactive audit adjustments under reimbursement agreements

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Net Patient Services Revenue - Continued

with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined Contractual adjustments include differences between established billing rates and amounts reimbursable under various contractual agreements. Contractual adjustments are recorded as deductions from professional fee revenue to arrive at net patient service revenues. Normal differences between final reimbursement and estimated amounts accrued in previous years are recorded as adjustments of the current year's contractual adjustments.

9. Contract Revenues

Contract revenues include agreements the Company has with various local hospitals and other organizations for on-call services and medical directorship These agreements are based on specified rates. Revenue for contract revenue is recognized when the services are performed

10. Operating Expenses

Substantially all of the Company's operating expenses are directly or indirectly related to patient care activities.

11. Compensated Absences

The Company's employees earn paid time off (PTO) benefits at varying rates depending on years of service. Unused PTO benefits accumulate and may be rolled over to the following year. Employees may accumulate PTO hours up to a specified maximum. Unused PTO balances will be paid to employees upon separation provided they have completed at least six months of continuous service. The estimated amount of accrued PTO is reported as accrued payroll and employee related expenses.

12. New Accounting Pronouncements

In July 2011, the Financial Accounting Standards Board (the "FASB") issued authoritative guidance related to the presentation and disclosure of patient service revenue, provision for bad debts, and the allowance for doubtful accounts for certain healthcare entities. The provisions of the guidance require healthcare entities that recognize significant amounts of patient service revenue at the time services are rendered, even though they do not assess a patient's ability to pay, to present the provision for bad debts related to those revenues as a deduction from patient service revenue (net of contractual allowances and discounts), as opposed to an operating expense. All other entities would continue to present the provision for bad debts as an operating expense. The guidance is effective for the first annual reporting period ending after December 15, 2012, with early adoption permitted. The adoption of the guidance is not expected to have a material impact on the financial position or results of operations of the Company.

13. Reclassification

Certain prior year reclassifications have been made to conform to classifications made in the current period. These reclassifications did not have an impact on previously reported financial positions, cash flows or result of operations.

NOTE C - CONCENTRATION OF CREDIT RISK

The Company grants credit without collateral to its patients, most of who are local residents and are insured under third-party insurance and governmental payor agreements The components of receivables from patients and third-party payors at June 30, 2011 and 2010 are as follows:

	2011	2010
Commercial insurance	32%	36%
Medicare	21%	19%
Medicaid	15%	24%
Other third-party payors	8%	2%
Patients (self-pay)	24%	19%
	100%	100%

NOTE D - CASH, CASH EQUIVALENTS, AND INVESTMENTS

As of June 30, cash and cash equivalents consist of the following

	2011	2010
Cash on deposit	$3,762,633	$6,123,991
Money market funds	-	412,323
	$3,762,633	$6,536,314

The fair value of investments at June 30 is as follows:

	2011	2010
Certificates of deposit	$1,602,865	$1,861,821
Pooled equity index fund	1,893,637	-
Pooled bond index fund	1,932,954	-
	$5,429,456	$1,861,821

NOTE D - CASH, CASH EQUIVALENTS, AND INVESTMENTS - Continued

At June 30, 2011, the Company's investments had the following maturities:

		Investment Maturities (in Years)		
	Fair Value	Less than 1	1 – 5	6 – 10
Certificates of deposit	$1,602,865	$ 619,250	$983,615	$ -
Pooled equity index fund	1,893,637	1,893,637	-	-
Pooled bond index fund	1,932,954	1,932,954	-	-
	$5,429,456	$4,445,841	$983,615	$ -

Interest and dividend income and realized and unrealized gains and losses are included as non-operating expense – interest in the accompanying combined statement of revenues, expenses and changes in net assets. During the year ended June 30, 2011, the Company earned $43,013 from interest and dividends and $5,619 from unrealized gains in investment fair value. Investment expenses of $1,954 were netted against earnings.

Investment Risk Factors

There are many factors that can affect the fair value of investments. Some factors, such as credit risk and concentrations of credit risk may affect fixed income securities, which are particularly sensitive to credit risks and changes in interest rates

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Company will not be able to recover its deposits. The Company does not have a deposit policy for custodial credit risk Custodial credit risk for investments is the risk that, in the event the failure of the counterparty to a transaction, the Company will not be able to recover the value of its investments. As of June 30, 2011 and 2010, the Company had approximately $10,308,000 and $7,134,000, respectively, exposed to custodial credit risk.

Credit Risk

Fixed income securities are subject to credit risk, which is the chance an issuer or other counterparty to an investment will not fulfill its obligations. The Company does not have a policy for credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Company does not have a policy for interest rate risk

NOTE E - FAIR VALUE MEASUREMENTS

The Company accounts for investments according to a fair value hierarchy that distinguishes between assumptions based on market data (observable inputs) and the Company's assumptions (unobservable inputs) The hierarchy consists of three broad levels as follows:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where significant inputs are observable or can be corroborated by observable market data.
- Level 3 - Valuations based on models where significant inputs are not observable, and for which the determination of fair value requires significant management judgment or estimation.

The Company estimates the fair value of the certificates of deposit at cost plus accrued interest. No unrealized appreciation or depreciation has been recorded for either year ended June 30, 2011 or 2010 respectively. Included in the investment balance at June 30, 2011 and 2010 are certificates of deposit of approximately $611,000 and $825,000, respectively, which serve as security on the Company's line of credit (Note G).

The Company has classified investments in pooled investment funds that have been measured at NAV as Level 2. NAV is used as a practical expedient to estimate the fair value of such investments unless it is probably that all or a portion of the investment will be sold for an amount different than NAV. As of June 30, 2011, the Company had no plans or intentions to sell investments at amounts different from NAV. The Company may redeem investments monthly with five days notice prior to month end.

The following table presents the financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2011.

	Level 1	Level 2	Level 3
Certificates of deposit	$1,602,865	$ -	$ -
Pooled equity index fund	-	1,893,637	-
Pooled bond index fund	-	1,932,954	-
	$1,602,865	$3,826,591	$ -

The following table presents the financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2010:

	Level 1	Level 2	Level 3
Certificates of deposit	$1,861,821	$ -	$ -

NOTE F - PROPERTY AND EQUIPMENT

The property and equipment activity for the year ended June 30, 2011 is as follows:

	2010	Additions	Disposals	2011
Medical equipment	$2,725,024	$133,373	($65,198)	$2,793,199
Computer equipment	734,573	575,774	(5,450)	1,304,897
Furniture, fixtures and office equipment	1,678,932	18,051	(65,308)	1,631,675
Buildings	803,189	-	-	803,189
Vehicles	102,697	21,152	(17,400)	106,449
Construction in progress	-	-	-	-
Leasehold improvements	2,017,528	36,638	-	2,054,166
Property and equipment, at cost	8,061,943	784,988	(153,356)	8,693,575
Less accumulated depreciation	(5,646,933)	(827,285)	153,356	(6,320,862)
Property and equipment, net	$2,415,010	($42,297)	$ -	$2,372,713

The property and equipment activity for the year ended June 30, 2010 is as follows:

	2009	Additions	Disposals	2010
Medical equipment	$3,101,846	$ 7,306	($384,128)	$2,725,024
Computer equipment	684,730	52,304	(2,461)	734,573
Furniture, fixtures and office equipment	1,726,689	-	(47,757)	1,678,932
Buildings	803,189	-	-	803,189
Vehicles	154,967	-	(52,270)	102,697
Construction in progress	2,500	-	(2,500)	-
Leasehold improvements	2,017,113	2,715	(2,300)	2,017,528
Property and equipment, at cost	8,491,034	62,325	(491,416)	8,061,943
Less accumulated depreciation	(5,113,727)	(956,852)	423,646	(5,646,933)
Property and equipment, net	$3,377,307	($894,527)	($67,770)	$2,415,010

At June 30, 2011 and 2010, capital assets include capital leased assets of approximately $445,000 and $509,000, net of accumulated depreciation of approximately $170,000 and $235,000, respectively, and included in medical equipment above. Current period amortization of these assets is included in depreciation and amortization on the accompanying combined statements of revenue, expenses and changes in net assets.

NOTE G - DEBT AND CAPITAL LEASE OBLIGATIONS

Debt and capital lease obligations at June 30, 2011 and 2010 consist of the following:

	2011	2010
Note payable; maximum borrowing capacity $1,100,000, bearing interest at 3.44% due monthly; collateralized by a certificate of deposit; matures March 2013.	$ 610,691	$ 825,319
Notes payable bearing interest at 8.0%; collateralized by equipment; due in monthly installments of principal and interest of $9,151; matures July 2010.	-	3,359
Capital lease obligations at imputed interest varying from 3.0% to 9.0%; collateralized by equipment; principal and interest payable in aggregate monthly installments from $515 to $9,469; matures between June 2012 and June 2013.	238,807	422,715
	849,498	1,251,393
Less current portion	(404,709)	(392,285)
	$ 444,789	$ 859,108

The activity with respect to current and noncurrent portion of debt for the years ended June 30, 2011 and 2010 is as follows:

	Current	Non-Current
Balance as of June 30, 2009	$1,336,688	$426,074
New obligations	212,747	665,027
Principal payments	(1,389,143)	-
Reclassification	231,993	(231,993)
Balance as of June 30, 2010	392,285	859,108
New obligations	-	-
Principal payments	(401,895)	-
Reclassification	414,319	(414,319)
Balance as of June 30, 2011	$ 404,709	$444,789

NOTE G - DEBT AND CAPITAL LEASE OBLIGATIONS - Continued

Principal and interest payments due on the revolving line of credit, notes payable and capital lease obligations at June 30, 2011 are as follows:

	Principal	Interest	Total
Year ending June 30,			
2012	$404,708	$30,949	$435,657
2013	444,790	9,243	454,033
	$849,498	$40,192	$889,690

The Company leases certain equipment under capital lease obligations. At June 30, 2011 the future minimum lease payments are as follows.

Year ending June 30,	
2012	$195,583
2013	57,408
Total future minimum lease payments	252,991
Less amount representing interest	14,184
Present value of future minimum lease payments	238,807
Less current portion	182,451
	$ 56,356

NOTE H - TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

UNSOM pays the salaries for all its faculty physician members. The Company reimburses UNSOM for any amounts not covered by state appropriations, grant contract income, or other sources that are administered by UNSOM. During the years ended June 30, 2011 and 2010, the Company paid approximately $13,600,000 and $15,650,000, respectively, to UNSOM for physician salaries.

The Company incurs Dean's tax payable to the UNSOM Dean's account based on a percentage of the cash collected on patient fee-for-service and net clinical contractual revenues. The Board of Directors of the respective organizations and the Dean of UNSOM can modify the percentage rate annually. During the year ended June 30, 2011, the percentage to be remitted decreased from 5% to 2.5% of the cash collected on patient fee-for-service revenues, and remained 0% of net clinical contractual income generated by the Company. During the years ended June 30, 2011 and 2010, the Company recognized expense of approximately $1,484,000 and $2,029,000, respectively, for Dean's tax and is included as medical fees in the accompanying combined statements of revenue, expenses, and changes in net assets. At June 30, 2011 and 2010, the Company owed to UNSOM a total of approximately $1,765,000 and $1,546,000, respectively, for Dean's tax and is included in the net due to affiliates in the accompanying combined balance sheets.

NOTE H - TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES - Continued

The Company is covered under a professional liability insurance policy for medical malpractice claims that is purchased by UNSOM and names MSAN, MSAS, and NFPRP as additional named insureds. The policy is on a claims-made basis and provides coverage of $1,000,000 per claim and $3,000,000 per year in the aggregate UNSOM presently intends to renew claims-made coverage annually and expects to be able to obtain such coverage. During fiscal years 2011 and 2010, the Company did not reimburse UNSOM for any portion of the professional liability insurance premiums.

UNSOM sub-leases clinical space from MSAS at the Patient Care Center on a month-to month basis. During the years ended June 30, 2011 and 2010, UNSOM paid MSAS a total of $30,192 and $79,536, respectively, for rents and related expenses. At June 30, 2011 and 2010, $13,685 and $100,841, respectively, was due to the Company from UNSOM for rents and related expenses and is included in the net due to affiliates in the accompanying combined balance sheets

UNSOM reimburses the Company for certain administrative and academic salaries and general expenses. In addition, UNSOM will reimburse the Company for grant support services provided to UNSOM. At June 30, 2011 and 2010, the Company was owed a total of $200,586 and $375,666, respectively, related to administrative and academic salaries, general expenses and grant support services and is included as due to affiliates in the accompanying combined balance sheets. UNSOM also collects payments from Medicaid on behalf of certain NFPRP programs. At June 30, 2011 and 2010, the Company was owed a total of $88,542 and $-0-, respectively, and is included in the net due to affiliates in the accompanying combined balance sheets.

UNSOM has granted MSAN the use of two of its facilities in addition to some fully depreciated medical equipment, office equipment and furniture without any charges or at a nominal maintenance charge. Such donated properties remained as assets on UNSOM's financial records.

NOTE I - RETIREMENT PLAN

The Company participates in a defined contribution retirement plan sponsored by the Integrated Clinical Services, Inc. (ICS) under Section 401(k) of the Internal Revenue Code that covers all employees who are 21 year of age or older, have worked the Company for at least one year, and who work at least 83.33 hours per month. Employees may elect to defer up to 15% of their compensation each year, not to exceed the dollar limit set by federal law. During the years ended June 30, 2011 and 2010, the Company made a $50 per month Qualified Non-Elective Contribution (QNEC) for each eligible employee for a total of approximately $221,000 and $227,000, respectively.

NOTE J - COMMITMENTS AND CONTINGENCIES

Leases

The Company has leases for clinic and office space which expire at various times through 2019. The leases contain various escalation and renewal provisions. Rent expense under these leases totaled approximately $3,397,000 and $3,595,000 in 2011 and 2010, respectively, and is included as medical fees in the accompanying combined statement of revenues, expenses, and changes in net assets. Future minimum lease payments under non-cancelable operating leases at June 30, 2011 are as follows:

Combined Operating Leases

Year ending June 30,	
2012	$3,065,811
2013	2,674,011
2014	1,898,209
2015	916,987
2016	892,918
Thereafter	111,489
	$9,559,425

Malpractice Insurance

Accounting principles generally accepted in the United States of America required that a health care facility disclose the estimated costs of malpractice claims in the period of the incident of malpractice if it is reasonably possible that liabilities may be incurred and losses can be reasonably estimated. As stated above, Management does not record any additional accruals for losses related to malpractice claims because there are no deductibles or self-insured retention. Furthermore, management is not aware of and does not believe that there are any outstanding claims or unasserted claims probable of assertion against the Company beyond the insurance coverage levels which would have a material adverse effect on the Company's financial condition.

Other

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations is subject to periodic government review, interpretation and audits, as well as regulatory actions unknown and unasserted at this time.

The Company is subject to various lawsuits and claims arising out of the normal course of business. Management and Company's legal counsel are of the opinion that the ultimate liability from such matters will not have a material adverse impact on the Company's financial position

NOTE K - SUBSEQUENT EVENTS

The Company evaluated subsequent events through October 27, 2011, the date these financial statements were available to be issued There were no subsequent events that required recognition or disclosure in these financial statements.

SUPPLEMENTAL INFORMATION

MedSchool Associates

COMBINING BALANCE SHEET

June 30, 2011

ASSETS	MSAN	MSAS	NFPRP	Eliminations	Combined
CURRENT ASSETS					
Cash and cash equivalents	$ 202,421	$ 728,098	$ 2,832,114	$ -	$ 3,762,633
Investments	-	619,250	3,826,591	-	4,445,841
Patient accounts receivable, net	1,251,500	2,882,656	1,422,365	-	5,556,521
Other receivables	422,302	579,885	34,225	-	1,036,412
Intercompany receivables	73,392	619,730	2,460,202	(3,153,324)	-
Inventory	82,510	-	289,334	-	371,844
Due from affiliates, net	-	122,783	180,003	(302,786)	-
Prepaid expenses and other assets	121,455	104,614	47,047	-	273,116
Total current assets	2,153,580	5,657,016	11,091,881	(3,456,110)	15,446,367
NON-CURRENT ASSETS					
Investments	-	916,373	67,242	-	983,615
Property and equipment, net	247,546	1,237,478	887,689	-	2,372,713
Total assets	$ 2,401,126	$ 7,810,867	$ 12,046,812	$ (3,456,110)	$ 18,802,695
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Current portion of debt and capital lease obligations	$ -	$ 404,709	$ -	$ -	$ 404,709
Accounts payable	435,403	431,974	732,866	-	1,600,243
Accrued payroll and employee related expenses	215,366	625,890	564,667	-	1,405,923
Other accrued expenses	336,549	7,411	-	-	343,960
Due to affiliates, net	1,225,003	514,519	25,451	(302,786)	1,462,187
Intercompany payables	2,587,712	478,281	87,331	(3,153,324)	-
Total current liabilities	4,800,033	2,462,784	1,410,315	(3,456,110)	5,217,022
DEBT AND CAPITAL LEASE OBLIGATIONS, net of current portion	-	444,789	-	-	444,789
Total liabilities	4,800,033	2,907,573	1,410,315	(3,456,110)	5,661,811
NET ASSETS (DEFICIT)					
Invested in capital assets, net of related debt	247,546	760,502	887,689	-	1,895,737
Unrestricted	(2,646,453)	4,142,792	9,748,808	-	11,245,147
Total net assets (deficit)	(2,398,907)	4,903,294	10,636,497	-	13,140,884
Total liabilities and net assets	$ 2,401,126	$ 7,810,867	$ 12,046,812	$ (3,456,110)	$ 18,802,695

MedSchool Associates

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year ended June 30, 2011

	MSAN	MSAS	NFPRP	Eliminations	Combined
Revenues					
Net patient service revenue	$ 13,316,478	$ 24,207,974	$ 21,089,493		$ 58,613,945
Contract revenue	3,424,254	3,930,780	-		7,355,034
Other revenue	5,315	1,951,807	679,864		2,636,986
Total revenues	16,746,047	30,090,561	21,769,357	-	68,605,965
Operating expenses					
Employee salaries, wages and benefits	4,213,394	7,897,240	9,363,482		21,474,116
Physician services	6,104,883	6,328,317	1,417,086		13,850,286
Medical fees	1,690,807	4,943,255	2,572,357		9,206,419
Supplies	2,860,628	1,013,359	6,726,587		10,600,574
Purchased services, insurance and other	638,877	940,459	1,712,151		3,291,487
Provision for uncollectible accounts	921,960	7,904,244	-		8,826,204
Depreciation and amortization	89,896	588,911	127,404		806,211
Total operating expenses	16,520,445	29,615,785	21,919,067	-	68,055,297
Operating income (loss)	225,602	474,776	(149,710)	-	550,668
Nonoperating expense - interest	-	(35,903)	8,281		(27,622)
CHANGE IN NET ASSETS	225,602	438,873	(141,429)	-	523,046
Net assets (deficit) - beginning of year	(2,624,509)	4,464,421	10,777,926		12,617,838
Net assets (deficit) - end of year	$ (2,398,907)	$ 4,903,294	$ 10,636,497	$ -	$ 13,140,884

See tax groupings for details

MedSchool Associates

COMBINING BALANCE SHEET

June 30, 2010

ASSETS	MSAN	MSAS	NFPRP	Eliminations	Combined
CURRENT ASSETS					
Cash and cash equivalents	$ 340,079	$ 126,334	$ 6,069,901	$ -	$ 6,536,314
Investments	-	615,853	126,185	-	742,038
Patient accounts receivable, net	1,434,843	3,184,070	1,866,694	-	6,485,607
Other receivables	466,152	647,160	22,090	-	1,135,402
Intercompany receivables	-	572,602	2,170,643	(2,743,245)	-
Inventory	84,620	-	327,458	-	412,078
Due from affiliates, net	-	282,289	194,218	(476,507)	-
Prepaid expenses and other assets	65,041	39,876	49,153	-	154,070
Total current assets	2,390,735	5,468,184	10,826,342	(3,219,752)	15,465,509
NON-CURRENT ASSETS					
Investments	-	903,273	216,510	-	1,119,783
Property and equipment, net	190,025	1,439,557	785,428	-	2,415,010
Total assets	$ 2,580,760	$ 7,811,014	$ 11,828,280	$ (3,219,752)	$ 19,000,302
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Current portion of debt and capital lease obligations	$ -	$ 392,285	$ -	$ -	$ 392,285
Accounts payable	679,537	1,025,619	449,335	-	2,154,491
Accrued payroll and employee related expenses	365,834	612,335	517,630	-	1,495,799
Other accrued expenses	397,121	-	-	-	397,121
Due to affiliates, net	1,233,491	243,287	83,389	(476,507)	1,083,660
Intercompany payables	2,529,286	213,959	-	(2,743,245)	-
Total current liabilities	5,205,269	2,487,485	1,050,354	(3,219,752)	5,523,356
DEBT AND CAPITAL LEASE OBLIGATIONS, net of current portion	-	859,108	-	-	859,108
Total liabilities	5,205,269	3,346,593	1,050,354	(3,219,752)	6,382,464
NET ASSETS (DEFICIT)					
Invested in capital assets, net of related debt	190,025	691,610	785,428	-	1,667,063
Unrestricted	(2,814,534)	3,772,811	9,992,498	-	10,950,775
Total net assets (deficit)	(2,624,509)	4,464,421	10,777,926	-	12,617,838
Total liabilities and net assets	$ 2,580,760	$ 7,811,014	$ 11,828,280	$ (3,219,752)	$ 19,000,302

MedSchool Associates

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year ended June 30, 2010

	MSAN	MSAS	NFPRP	Eliminations	Combined
Revenues					
Net patient service revenue	$ 14,611,556	$ 24,920,893	$ 21,801,129	$ -	$ 61,333,578
Contract revenue	3,706,491	5,141,847	-	-	8,848,338
Other revenue	3,312	1,850,317	688,802	-	2,542,431
Total revenues	18,321,359	31,913,057	22,489,931	-	72,724,347
Operating expenses					
Employee salaries, wages and benefits	4,632,295	8,344,573	9,569,694	-	22,546,562
Physician services	6,463,106	8,027,264	1,159,969	-	15,650,339
Medical fees	1,800,414	5,517,060	2,744,648	-	10,062,122
Supplies	4,112,919	894,076	6,322,466	-	11,329,461
Purchased services, insurance and other	496,997	1,397,993	1,370,884	-	3,265,874
Provision for uncollectible accounts	1,344,197	9,587,077	-	-	10,931,274
Depreciation and amortization	76,895	721,837	132,889	-	931,621
Total operating expenses	18,926,823	34,489,880	21,300,550	-	74,717,253
Operating income (loss)	(605,464)	(2,576,823)	1,189,381	-	(1,992,906)
Nonoperating expense - interest	-	(61,901)	(58,438)	-	(120,339)
CHANGE IN NET ASSETS	(605,464)	(2,638,724)	1,130,943	-	(2,113,245)
Net assets (deficit) - beginning of year	(2,019,045)	7,103,145	9,646,983	-	14,731,083
Net assets (deficit) - end of year	$ (2,624,509)	$ 4,464,421	$ 10,777,926	$ -	$ 12,617,838