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STATE OF WYOMING )  
 ) ss.  
COUNTY OF LARAMIE )

IN THE DISTRICT COURT  
FIRST JUDICIAL DISTRICT

STATE OF WYOMING ex rel., the Honorable )  
Tom Glause, Wyoming Insurance Commissioner )  
 )  
Petitioner, )  
 )  
v. )  
 )  
WINHEALTH PARTNERS, )  
 )  
Respondent. )

**FILED**

OCT 31 2016

DIANE SANCHEZ  
CLERK OF THE DISTRICT COURT  
Docket No. 184-929

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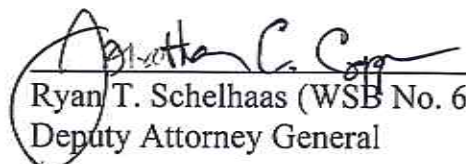
**SUBMISSION OF THE SEPTEMBER 30, 2016  
WINHEALTH LIQUIDATION REPORT**

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This Court ordered the Insurance Commissioner to provide quarterly status updates on the Winhealth Partners receivership in its January 25, 2016 Order for Status Update from Receiver. This filing submits the report covering the third quarter as this Court required in its Order.

Scott Pearce continues to serve as the receivership manager under the supervision of Tom Glause, the Wyoming Insurance Commissioner. Mr. Pearce continues to monitor Winhealth's finances, administer the day-to-day responsibilities of the receivership, and is familiar with Winhealth's business operations and financial condition. As part of his duties, Mr. Pearce drafted the receiver's report attached to this filing.

DATED this 31st day of October 2016.

  
Ryan T. Schelhaas (WSB No. 6-3321)  
Deputy Attorney General

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ATTORNEYS FOR STATE OF  
WYOMING, EX REL., THE  
HONORABLE TOM GLAUSE,  
WYOMING INSURANCE  
COMMISSIONER

**CERTIFICATE OF SERVICE**

I hereby certify that on this 31 day of October 2016, the foregoing was served by first-class mail to:

Winhealth Partners  
1200 East 20th Street  
Cheyenne, WY 82001  
Counsel for Winhealth Partners

Cindy Coles Oliver  
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Denver, CO 80202  
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Courtesy Copy to  
Judge Thomas T.C. Campbell  
First Judicial District Court  
309 W. 20<sup>th</sup> Street  
Cheyenne, WY 82001

  
Office of the Attorney General

**SEPTEMBER 30, 2016**  
**WINHEALTH LIQUIDATION REPORT**

## **I. INTRODUCTION**

On January 12, 2016, this Court ordered the receivership to file quarterly updates with it to keep it apprised of the status of Winhealth Partner's ongoing liquidation. This is the third update regarding Winhealth's financial status and its liquidation. The receivership—meaning the Commissioner with his deputies and assistants—continued to operate Winhealth's business during the third quarter. This report's goal is to advise the Court of all material activities performed since the last update to this Court and to provide detail on Winhealth's ongoing run-off activities.

## **II. RECEIVER'S REPORT OF LIQUIDATION OPERATIONS & ACTIVITIES**

This report focuses on providing the Court with updates on: (A) the operation and administrative activities of the liquidation process; (B) Winhealth's financial status; (C) the fees and expenses paid by the receivership to perform its duties; and (D) the actions taken by the receivership to marshal assets for the liquidation estate.

### **A. Winhealth Liquidation Operations and Administrative Activities**

The main operational and administrative activities the receivership continues to perform since the entry of this Court's order of liquidation includes, but is not limited to, the: (1) efforts to ensure ongoing compliance with state and federal law; (2) continuing operation of Winhealth's claims run-off in coordination with the Wyoming Life and Health Insurance Guaranty Association (WLHIGA); (3) administration of the proof of claim process; (4) administrative activities required to run the estate; (5) continuing efforts to retain an operational workforce while working to methodically close down the company's affairs; and (6) Winhealth's real estate.

#### **1. State and Federal Law Compliance Efforts**

The receiver, in conjunction with his staff and receivership manager, has continued to work to ensure Winhealth remains compliant with state and federal law. The receivership completed and filed its 2015 annual Federal Tax Return with the Internal Revenue Service. The tax return reported no taxes due. Winhealth reported approximately \$25,000,000 in net operating losses to be carried forward to future tax years.

Winhealth completed its required reporting of 2015 loss data to the federal government and



received approximately \$6,610,000 in transitional reinsurance payments in August 2016. The amount paid for transitional reinsurance by the federal government in August was reduced by approximately \$2,670,000 for risk adjustment owed for 2015, and approximately \$2,470,000 in cost sharing reduction that was over paid by the federal government for plan years 2014 and 2015. Based upon the most recent data it appears that Winhealth may have up to approximately \$972,000 in amounts still due under the transitional reinsurance program.

Winhealth also completed the work necessary to comply with certain private reinsurance treaty deadlines requiring the company to process all approved claims for payment by June 30, 2016, and report final reinsurance billings to PartnerRe by July 31, 2016. Total billings submitted totaled approximately \$1,790,000 in potential recoveries subject to final review and approval by the reinsurer. Subsequent to September 30, 2016, Winhealth receive a preliminary payment of \$1,600,000 from PartnerRe. The remainder is expected to be recovered as additional information is provided to PartnerRe so they can complete their adjudication process.

The receivership has issued the required notice to all past and current Winhealth employees that participate in the company's 401(k) plan advising that the plan will terminate effective July 31, 2016. On or about September 30, 2016, Winhealth completed and passed the plan's regulatory compliance testing and completed the final plan information submissions to the plan custodian. With the completion of these specific decommissioning requirements, the plan participants are now free to complete distributions of their vested plan assets to new retirement programs/accounts. Winhealth will track plan participants who have not transferred their balances as the end of the year approaches, and it will work with them to ensure they transfer their balances prior to the end of 2016.

## **2. Operation of Winhealth's Health Maintenance Organization Business**

The receivership has continued to receive, adjust, and facilitate payment of the covered health insurance claims since this Court entered its liquidation order. Winhealth claims staff, supported by Winhealth's financial department, provider and member services department, and key third party vendors, performs the administration of the claims run-off work.

During the liquidation period from January 12, 2016, through September 30, 2016, the receivership processed thirteen claims batches on behalf of the WLHIGA paying approximately \$22,761,642 in claims. Due to a lack of available funding from WLHIGA, no further claims batches have been paid after the thirteenth batch was processed and paid at June 30, 2016. The Winhealth estate petitioned this Court for approval to release estate assets to the WLHIGA as “early access” to fund the payment of the remainder of claims Winhealth expects to receive and honor. The fees chargeable to WLHIGA for the claims handling function through September 30, 2016, are approximately \$300,000. Although the claim volume Winhealth continues to receive has decreased considerably, Winhealth continues to receive additional claims daily. Claims will continue to be adjudicated and set in line for payment as they are received and as funding is made available through the WLHIGA. As of September 30, 2016, Winhealth still had approximately \$2M in claims ready for payment after releasing the thirteenth batch of claims.

Winhealth continues to receive and assess claim appeals and provider reconsiderations in accordance with policy terms and established company procedures. It has coordinated the periodic review and determination of pending appeals with the WLHIGA, which has assigned a representative to actively participate in the periodic review process. Over the last quarter, the amount of active appeals has diminished considerably as a result of a lack of available assets to pay claims. The estate anticipates an increase in inquiries and potential appeals after the release of the next claims batch is paid in late October. As part of the appeal process, the receivership has overturned one claim in the amount of \$1,768 and repriced two others in the amount of an additional \$6,384. The two claims that were repriced was a result of recoding the claims from out-of-network to in-network services. Winhealth has three open appeals in various stages of resolution as of September 30, 2016. At this time, Winhealth does not currently anticipate any further reversals of prior claim rejections that would result in an additional material claim payment.

In addition to the on-going appeal work, Winhealth continues to receive provider reconsiderations seeking further review of previously adjusted claims. As of September 30, 2016, the company had received 181 provider reconsiderations of which 70 requests were overturned or



amended resulting in additional claim payments of \$162,170.29.

Winhealth will continue billing certain medical providers and anticipates issuing additional billings for remaining credit balances due the company after the payment of the October claims batch. In total, Winhealth has mailed demands for approximately \$370,595 due the company. Winhealth has started to receive payments, and has collected \$65,721 since commencing the collections in late June 2016. Collection efforts will continue through the fourth quarter of 2016.

As of September 30, 2016, Winhealth had thirteen open subrogation cases in various stages of resolution. Two cases are scheduled to settle or pay in the next couple months in the amount of \$7,274.09. Five cases are in active negotiation with third-party insurers with documents being exchanged between the parties, and six cases are in some form of litigation or direct negotiation with legal counsel retained by the member. Based on past experience, Winhealth anticipates potential estimated recoveries in the amount of \$146,500. After factoring in a bad debt allowance the estate anticipates the realistic collection estimate on a go forward basis to be in the range of approximately 30– 40% of those pending balances.

As of September 30, 2016, Winhealth had one workers' compensation case pending before the Wyoming Workers' Compensation office (WYWC). The estate will continue to work the pending file and expect that to be finished during the last quarter of the year.

As of September 30, 2016, Winhealth had addressed to some degree all known complaints. While many of the complaints will not be resolved until the current back-log of claims are paid in late October, Winhealth has made effort to contact all known parties with open complaints to advise of the pending payment of past due claims.. Only one complaint associated with a time-barred claim will potentially seek material damages. As of September 30, 2016, counsel for the subject member had not responded to the last communication from Winhealth.

### **3. Proof of Claims Process**

Winhealth has received 86 proof of claim packets from potential creditors. At this time, the receivership estate simply inspects the returned packets for completeness and logs the document into the control list. Given the limited amount of assets Winhealth ultimately expects to recover

relative to the ultimate liability of the liquidation estate, the company will not expend time and limited resources at this time to determine proof of claim packets for classes of creditors below the policyholder class who are unlikely to receive any payment. In the unlikely event that Winhealth recovers assets sufficient to pay all approved obligations in the policyholder class of creditors, the company will then consider and determine the next priority class of proofs of claim.

Winhealth has determined and approved six proofs of claim totaling approximately \$70,000 for creditors who provided services that exceeded WLHIGA's statutory limit of \$300,000 per member. These "overcap" claims were included in the approved claim billing to PartnerRe.

#### **4. Winhealth's Additional Administrative Activities**

In addition to providing claims handling services to the WLHIGA, Winhealth continues to provide comprehensive policy administration services associated with the Administrative Services Run-Out Agreement with the Cheyenne Regional Medical Center (CRMC) dated January 1, 2016. Winhealth met with representatives of CRMC in September to review the on-going needs to complete the run-off of "BestLife," CRMC's self-insured health plan. Because the BestLife program relied upon Winhealth's established medical provider network, CRMC did not have the practical ability to establish or secure a comparable replacement network for BestLife on such short notice.

CRMC continues to pay Winhealth for its services, and the receivership anticipates Winhealth will complete the run off activity at year-end 2016. The parties agreed to extend the run-out agreement through December 31, 2016, at which time CRMC will assume any final claims run-off servicing. Winhealth is not liable for claims under the agreement because CRMC funds all approved claims.

#### **5. Actions to Maintain an Operational Workforce at Winhealth**

As reported in the prior Winhealth status reports, the receivership offered retention bonuses to ensure enough staff remained with Winhealth to operate the run-out of the estate including the claims handling function for the WLHIGA. Since inception of the receivership in October 2015, Winhealth has paid out two retention payments through September 30, 2016 totaling



approximately \$374,000.

As of September 30, 2016, the receivership had 13 full time employees, 2 part-time employees, and 3 hourly contractors. As a result of both voluntary resignations and consolidation of certain positions, the receivership expects to have 9 full time employees, 2 part-time employees and two hourly contractors as of November 30, 2016. The receivership lost three key senior managers during the month of August and thereafter retained their services on a much-reduced basis under hourly employment contracts. The staff reductions since June 30, 2016 have reduced Winhealth's annualized payroll expense by approximately \$827,000, including payroll withholding and benefit contributions. The receivership continues to review the necessary staffing requirements needed to manage the liquidation to completion, and it will honor a final retention payment to the remaining group of essential employees necessary to complete the balance of the run-off. The final retention payment is estimated to be approximately \$88,000.

#### **6. Winhealth's Real Estate**

The receivership continues to work from the Winhealth home office located at 1200 East 20th Street, Cheyenne, Wyoming. The home office will continue to serve as the designated location to manage Winhealth's liquidation estate through the claims run-off process with the WLHIGA. The receivership continues to maintain the essential services and basic upkeep of the home office. As part of a compromise and settlement transaction intended to settle all claims associated with a \$6 million loan made by CRMC to Winhealth in 2015, title to the Winhealth home office will be transferred to CRMC, in exchange for a cash payment of \$3 million. CRMC will be afforded an approved proof of claim for the balance of the unpaid loan.

As part of the loan settlement transaction, CRMC and the Winhealth estate agreed to a short-term lease agreement to allow the liquidation estate to complete its run-off efforts. The parties will seek this Court's approval of the settlement agreement in October of 2016 after which the Winhealth estate will retain a much reduced portion of the building and CRMC will take title to the building and occupy the balance of the space in the building.

## **B. Winhealth's Financial Status**

The receivership has prepared a cash-basis income statement for the third quarter ending September 30, 2016, and a statutory based balance sheet for Winhealth as of September 30, 2016. During that period, the receivership received a total of approximately \$9,267,293 in cash receipts and paid approximately \$7,721,194 in disbursements. As of September 30, 2016, the receivership held cash and cash equivalents totaling \$5,880,478, which includes \$849,076 in money market funds that are reported as short term Investments. In addition to cash and cash equivalents, Winhealth's other recoverable assets are comprised of Affordable Care Act (ACA) receivables associated with Winhealth's participation in the Federal marketplace, reinsurance, and provider refunds. Winhealth reported \$18,602,133 in ACA receivables, which is comprised of an estimated risk corridor receivable that remains highly uncertain as to its collectability. Past experience and marketplace practice suggests the ACA risk corridor receivable will only be paid to insurers to the extent funding has been collected by the federal government. In 2015 only 12.6% of the risk corridor obligation was paid to participating insurers. At this time the receivership cannot estimate the amount or timing of any risk corridor payments due Winhealth.

Winhealth's reinsurance program is comprised of transitional reinsurance associated with the ACA, private treaty reinsurance placed with PartnerRe, and reinsurance placed with the Wyoming Small Employers Health Reinsurance Pool. On September 30, 2016, Winhealth reported transitional reinsurance receivables of approximately \$972,000, private treaty reinsurance receivables through PartnerRe of approximately \$1,790,000, and reinsurance receivables from the Wyoming Small Employers Reinsurance Pool of approximately \$256,500. The receivership collected \$1,603,916 in October from PartnerRe and expects to recover the remaining \$186,000 during November and December. Winhealth will bill the amount due from the Wyoming Small Employers Health Reinsurance Pool during November and December and expects to receive payment prior to December 31, 2016. Winhealth collected a payment of \$6,612,787 from transitional reinsurance associated with the ACA during August 2016, although the amount was subject to material off-sets for amounts that were due to the federal government by Winhealth. The



offsets totaled \$5,137,252, which resulted in a net payment from the federal government of \$1,476,535. The estate estimates it will collect the remaining balance of \$972,000 during the first part of 2017.

Winhealth will bill and seek recovery of approximately \$398,000 of known provider refunds that are recoverable from providers on claims that it overpaid. This amount is included in other current assets in the attached balance sheet. The receivership expects to complete the collections in 2016 and at this time does not anticipate a material allowance for collectability.

As of September 30, 2016, Winhealth reported \$30,173,042 in current liabilities. The majority of the current liabilities are comprised of unpaid claims totaling \$2,491,599, \$22,403,918 due the WLHIGA for claims paid through the quarter-end, ACA payables totaling \$145,603, and a loan in the amount of \$3,169,315. The WLHIGA's claim against Winhealth's estate will continue to increase as the association funds the claims of Winhealth policyholders subject to off-sets or credits for any funds transferred to the WLHIGA as early access to Winhealth assets.

Winhealth had \$986,349 in trade payables and accrued expenses on September 30, 2016. The receivership will consider pre-liquidation obligations through the proof of claims process. As some of the accrued expenses are essential services necessary to carry out both the receivership activity and the claims run off, those expenses are being paid. \$138,380 in overpaid premiums, primarily owed to members who were part of the federal exchange, and \$721,253 in premium rebates owed to groups for contractual obligations that were insured during 2014 and 2015, account for an additional \$859,633 of the current liabilities on September 30, 2016. As overpaid premiums are reconciled, the amounts owed are being paid. A copy of the liquidation estate's September 30, 2016, cash-basis income statement and balance sheet for Winhealth are attached to this report.

### **C. The Receivership's Incurred Administrative and Operations Expenses**

Under the authority of this Court's liquidation order, the receivership retained professional services and incurred expenses necessary to allow it to perform all of its duties and obligations associated with the liquidation estate's run-off of Winhealth. An accounting of all fees and expenses paid during the period from January 1, 2016, through September 30, 2016, is detailed in



the cash basis income statement. The Commissioner, through his managing receiver, carefully reviewed all expenses and approved only those he deemed proper under the liquidation order and the Wyoming Insurance Code. As reflected in the attached cash-basis income statement, Winhealth reported net operating income of \$1,546,099 during the liquidation period through September 30, 2016. To accomplish the work necessary to advance and manage the liquidation, including the claims run off process on behalf of the WLHIGA, the receivership has incurred and paid administrative expenses to essential vendors and retained Winhealth staff. As of September 30, 2016, the receivership paid \$2,325,020 in payroll and benefits to Winhealth staff including the retention payments discussed earlier in this report.

In addition to retained staff, the receivership continues to use key service vendors in support of the liquidation and run off. The material expense payments paid to date are associated with preserving Winhealth's access to provider networks, maintaining the policy administration systems, and the comprehensive accounting system. Winhealth continues to rely on certain data submission vendors and actuarial services in support of the ACA required claims and data reporting associated with Winhealth's participation in the federal marketplace. Approximately \$1,101,000 of the administrative expenses paid in the first nine months of 2016 was to key vendors as described above. Payroll, key vendor payments, and the transitional reinsurance expense (paid in January) represented approximately 96% of the administrative expenses paid by the receivership through September 30, 2016.

#### **D. Marshalling Winhealth's Assets**

Winhealth continues to receive and adjudicate claims on behalf of the WLHIGA as funding is made available. The receivership filed the necessary pleadings and received this Court's approval to release early access payments to the WLHIGA. Winhealth continues to pursue asset recoveries from both private reinsurance treaties as well as ACA recoveries associated with the Federal marketplace. The Winhealth estate anticipates closing the compromise and settlement transaction with CRMC in November 2016 thereby collecting an additional \$3,000,000 for the receivership and transferring the title to the Winhealth home office. The estate sought and obtained

this Court's authorization, after a duly noticed hearing, to consummate and close the compromise and settlement transaction with CRMC in October 2016.

### **III. CONCLUSION**

The receivership continues to work cooperatively with the WLHIGA to pay Winhealth's providers' covered claims subject to statutory limitations, continues to ensure that Winhealth has the employees it needs to pay claims and complete the run-off of the liquidation estate, and continues to work to maximize the value of the estate.

**WINhealth Partners**  
**Balance Sheet**  
**September 30, 2016**

<b>Assets</b>	<b>September 2016</b>	<b>December 2015</b>
<b>Current Assets</b>		
Cash	\$ 5,031,402	\$ 3,485,303
Short Term Investments	849,076	847,820
Investment Income Due and Accrued	171	473
Premiums Receivable	81,166	129,538
ACA Receivables	18,602,133	18,674,563
Reinsurance Claims Receivable	3,018,784	9,717,738
Pharmacy Rebates Receivable	-	58,067
Federal Income Tax Receivable	-	-
Prepaid Expenses	2,885	56,518
Other Current Assets	401,675	370,598
Total Current Assets	27,987,292	33,340,618
<b>Fixed Assets</b>		
Land & Building	2,031,500	2,069,670
Fixed Assets	16,798	36,571
Non-admitted Fixed Assets	196,178	298,327
Total Fixed Assets	2,244,476	2,404,568
<b>Nonadmitted Assets</b>		
Nonadmitted Assets	(19,284,037)	(19,318,026)
<b>Total Assets</b>	<b>\$ 10,947,731</b>	<b>\$ 16,427,160</b>
<b>Liabilities and Net Worth</b>		
<b>Current Liabilities</b>		
Accounts Payable - Claims	\$ 2,491,599	\$ 22,086,908
Payable Guarantee Association	22,403,918	-
Accounts Payable - Trade	986,349	1,764,891
ACA Payables	145,603	7,019,135
Accrued Expenses	116,625	249,927
Advance Premiums	138,380	280,971
Reserve For Risk Sharing Agreements	721,253	721,253
Short Term Loan Affiliate	3,169,315	3,056,712
Total Current Liabilities	30,173,042	35,179,797
<b>Net Worth</b>		
Contributed Capital	4,785,038	4,785,038
Retained Earnings--Prior Year	(4,219,649)	1,693,684
Retained Earnings--Current Year	(506,663)	(5,913,333)
Nonadmitted Assets	(19,284,037)	(19,318,026)
Total Capital & Surplus	(19,225,311)	(18,752,637)
<b>Total Liabilities and Net Worth</b>	<b>\$ 10,947,731</b>	<b>\$ 16,427,160</b>



**WINhealth Partners**  
**Cash Based Income Statement**  
**2016**

	January	February	March	April	May	June	July	August	September	Total
Cash Balance Beginning of Month	\$ 3,485,303	\$ 2,660,625	\$ 2,184,706	\$ 2,890,045	\$ 2,793,234	\$ 2,713,874	\$ 4,247,300	\$ 3,742,126	\$ 5,231,270	\$ 3,485,303
<b>REVENUE</b>										
Premium Revenue	\$ 16,113	\$ (44,454)	\$ (285,497)	\$ 680	\$ (45,173)	\$ (12,539)	\$ 1,434	\$ (21,211)	\$ 784	\$ (389,863)
Risk Corridor	-	-	72,430	-	-	-	-	-	-	72,430
Risk Adjustment	-	-	3,348	-	-	-	-	(2,657,867)	-	(2,654,519)
Pharmacy Rebates	17,070	33,102	-	77,851	23,004	-	-	84	-	151,111
Miscellaneous Revenue	2,898	-	-	(7)	-	-	-	-	-	2,891
<b>TOTAL REVENUE</b>	<b>36,081</b>	<b>(11,352)</b>	<b>(209,719)</b>	<b>78,524</b>	<b>(22,169)</b>	<b>(12,539)</b>	<b>1,434</b>	<b>(2,678,994)</b>	<b>784</b>	<b>(2,817,950)</b>
<b>PLAN EXPENSES</b>										
Total Medical Expenses	65,437	(184,593)	(111,413)	(26,426)	(67,534)	(315,944)	(55,954)	2,420,736	(37,473)	1,686,836
Reinsurance & Recoveries:										
Premium	-	334,249	-	-	-	-	-	-	-	334,249
Recoveries	-	(76,150)	(1,312,166)	-	-	(1,822,752)	-	(6,612,787)	-	(9,823,855)
Subrogation	(2,811)	(2,288)	(17,447)	(17,087)	(6,645)	(42)	-	-	(6,735)	(53,055)
Total Reinsurance	(2,811)	255,811	(1,329,613)	(17,087)	(6,645)	(1,822,794)	-	(6,612,787)	(6,735)	(9,542,661)
<b>TOTAL PLAN EXPENSES</b>	<b>62,626</b>	<b>71,218</b>	<b>(1,441,026)</b>	<b>(43,513)</b>	<b>(74,179)</b>	<b>(2,138,738)</b>	<b>(55,954)</b>	<b>(4,192,051)</b>	<b>(44,208)</b>	<b>(7,855,825)</b>
<b>GROSS MARGIN</b>	<b>(26,544)</b>	<b>(82,570)</b>	<b>1,231,307</b>	<b>122,037</b>	<b>52,010</b>	<b>2,126,199</b>	<b>57,388</b>	<b>1,513,057</b>	<b>44,992</b>	<b>5,037,876</b>
Management Fees										
TPA & Wellness Management Fees	117,894	-	-	-	233,232	-	-	233,232	-	584,358
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>										
Payroll Expenses	241,716	192,325	379,647	163,890	158,481	229,998	350,782	153,046	109,546	1,979,430
Employee Benefits	5,823	31,389	24,953	935	56,670	29,147	134,515	16,898	45,260	345,590
Commissions & Exchange Fees	(133)	(5)	(15,633)	-	-	(274)	-	(193)	-	(18,238)
Consulting Services	9,043	28,195	25,176	8,253	6,506	64,194	1,164	-	3,525	146,055
Marketing & Notification Expenses	1,784	-	1,306	1,204	473	-	-	-	-	4,767
Health Plan Materials	101	-	-	2	-	2,336	-	-	-	2,439
Building Expenses	6,801	8,518	4,862	3,138	8,278	9,361	8,198	7,578	8,020	64,754
IT Maintenance and Supplies	52,193	61,149	62,921	20,798	85,347	46,891	52,458	38,547	67,333	485,637
Office Expenses	24,366	5,529	17,280	5,760	1,760	6,758	4,799	3,694	4,727	74,673
Outsourced Services	112,954	62,411	22,741	12,616	43,419	200,551	8,513	2,032	4,336	469,573
Insurance Expenses	-	-	-	-	-	305	-	-	-	305
Licenses and Fees	441,665	3,734	2,599	2,469	3,896	3,686	2,380	10,363	2,365	473,157
Rent Expense	-	-	-	-	-	-	-	-	-	-
Tax Expenses	19,824	288	250	-	-	-	-	27,440	-	47,802
<b>Total General &amp; Administrative Expenses</b>	<b>916,137</b>	<b>393,533</b>	<b>526,102</b>	<b>219,065</b>	<b>364,830</b>	<b>592,953</b>	<b>562,809</b>	<b>257,405</b>	<b>245,112</b>	<b>4,077,946</b>
<b>NET GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>798,244</b>	<b>393,533</b>	<b>526,102</b>	<b>219,065</b>	<b>131,598</b>	<b>592,953</b>	<b>562,809</b>	<b>24,173</b>	<b>245,112</b>	<b>3,493,588</b>
<b>TOTAL EXPENSES</b>	<b>978,763</b>	<b>464,751</b>	<b>(914,924)</b>	<b>175,552</b>	<b>290,651</b>	<b>(1,545,785)</b>	<b>506,855</b>	<b>(3,934,646)</b>	<b>200,904</b>	<b>(3,777,880)</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>(824,788)</b>	<b>(476,103)</b>	<b>705,205</b>	<b>(97,028)</b>	<b>(79,588)</b>	<b>1,533,246</b>	<b>(505,421)</b>	<b>1,488,884</b>	<b>(200,120)</b>	<b>1,544,288</b>
Interest Expense	-	-	-	-	-	61	-	-	-	61
Investment Income	110	184	134	217	228	241	247	260	252	1,873
<b>INCOME (LOSS) BEFORE FIT</b>	<b>(824,678)</b>	<b>(475,919)</b>	<b>705,339</b>	<b>(96,811)</b>	<b>(79,360)</b>	<b>1,533,426</b>	<b>(505,174)</b>	<b>1,489,144</b>	<b>(199,868)</b>	<b>1,546,099</b>
Federal Income Tax	-	-	-	-	-	-	-	-	-	-
<b>NET INCOME (LOSS)</b>	<b>(824,678)</b>	<b>(475,919)</b>	<b>705,339</b>	<b>(96,811)</b>	<b>(79,360)</b>	<b>1,533,426</b>	<b>(505,174)</b>	<b>1,489,144</b>	<b>(199,868)</b>	<b>1,546,099</b>
Cash Balance End of Month	\$ 2,660,625	\$ 2,184,706	\$ 2,890,045	\$ 2,793,234	\$ 2,713,874	\$ 4,247,300	\$ 3,742,126	\$ 5,231,270	\$ 5,031,402	\$ 5,031,402