

Estimated Operating Income with a Med-Fit Pool

Estimated Pool Expenses Per Month*

*Estimates may vary depending on pool size, hours of operation, gas or electric heating system, local energy and water rates, etc.

Pool chemicals	80.00
Water for pool	20.00
Electricity for pool pumps	100.00
Electricity for lights, shower water, heating of shower water, towels, etc.	100.00
Pool heating	500.00
Pool maintenance	100.00
Miscellaneous	100.00

Total pool expenses per month	\$1,000.00

Assumptions:

- ❖ Treatment duration per patient: 30 min.
 - ❖ Reimbursement*: \$55/treatment
 - ❖ Amount of treatment days in a month: 22
 - ❖ Lease payment estimate based on
a \$100,000 lease, 5 years, \$1 buyout: \$2,500/month (allows for typical
(other leases available) freight and installation expenses)
 - ❖ Labor component based on: \$35.00 per treatment hour
- *Reimbursement may vary by provider and geographic location

Operating Income per Year*

<i>Patients/Day</i>	5	10	15	20	25	30
<i>Reimbursement</i>	72,600	145,200	217,800	290,400	363,000	435,600
<i>Pool Expenses</i>	12,000	12,000	12,000	12,000	12,000	12,000
<i>Labor Expense</i>	23,100	46,200	69,300	92,400	115,500	138,600
<i>Lease Payment</i>	30,000	30,000	30,000	30,000	30,000	30,000
<i>Operating Income</i>	7,500	57,000	106,500	156,000	205,500	255,000

*Does not include tax benefits through depreciation based on new tax law effective 1/1/2003 - up to \$128,000 in section 179 deduction for 2008 (see separate enclosed information). Tax savings in the 35% federal tax bracket would

amount to \$35,000 in upfront savings. Please consult your tax advisor for details. Operating income per year will automatically increase by \$30,000 after 5 years (end of lease period).

**Reimbursement may vary by provider and geographic location
Analysis made with best information available - your results may vary.**

Please check with your tax advisor as to the veracity of all examples.

These projections are purely for illustrative purposes, and are NOT intended nor do they constitute a guarantee of any kind. Reimbursement policies and permitted activities are governed not only by federal agencies but also by the laws and regulations of each state; thus matters vary widely from state to state and region to region. Actual revenue realization will depend upon patient demographics and medical necessity of all procedures as determined by the individual provider.

Jobs and Growth Tax Relief Reconciliation Act of 2003

Are you aware of the remarkable cash flow improvement and tax strategies that are available to help you fund your practice's growth?

Private practitioners and some corporate entities may take advantage of the following programs:

Jobs and Growth reconciliation act of 2003

In a nutshell, the Jobs and Growth Tax Relief Reconciliation Act (JGTRRA) permits qualifying business' to immediately expense and deduct up to \$128,000 in capital purchases a year. Previous to passage, the maximum was \$25,000. The tax law continues through calendar year 2009.

Let's examine what this means to you in real dollars. Example does not consider additional state tax deductions!!

❖ Calendar year 2008

Income \$350,000

Maximum allowable capital purchase deduction \$128,000

• Tax saving on income reduced by \$128,000 (35% Fed) \$44,800

Maximum same year tax savings under old law \$8,750

Net same year savings \$36,050

Leased equipment qualifies as well! For example, a \$60,000 lease, even though amortized and paid over five years, will qualify for a \$60,000 same year tax deduction (provided there is a buyout at the end of the lease)!

If you are considering expansion, updating older equipment, starting a new practice, or just trying to reduce income, NOW is the time to buy.

Combining the accelerated tax deductions with product qualifying for the Disabled Access Credit (IRS form 8826) will REALLY improve your purchasing power, as disabled access equipment (Nautilus Freedom Trainer, UBE 174 upper body exerciser, Theracycle 100) carries a 50% tax CREDIT to qualified facilities, up to \$10,500 per year.

Example:

Nautilus Freedom Trainer \$3,699

Med-Fit UBE174 \$2,999

2ST Triceps Dip \$4,199
Total \$10,897
Less 50% tax credit (\$10,500 Max) \$5,448
Plus 35% same year tax savings on balance \$1,907
Net Cost \$3,834

Tax Relief Work Sheet

Jobs and Growth Tax Relief Reconciliation Act of 2003

PURCHASE or LEASE AMOUNT (up to \$128,000) _____

Federal and State Tax % (combined) X ● _____

Same Year Tax Savings = _____

Disabled Access Credit (IRS Form 8826)

Qualifying products must be wheelchair accessible

Purchase Price (up to \$10,500) _____

Federal Tax Credit X **.50**

Total Savings _____

