

CARROLL and COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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November 6, 2008

Florida Patient Safety Corporation
Tallahassee, Florida

We have compiled the accompanying statement of financial position for Florida Patient Safety Corporation (a non-profit organization) as of September 30, 2008 and the related statement of activities for the three months then ended, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

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

We are not independent with respect to Florida Patient Safety Corporation.

Carroll and Company

Florida Patient Safety Corporation
Statement of Financial Position
As of September 30, 2008

| | Sep 30, 08 |
|---|---------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| SunTrust Bank | 1,000.00 |
| Bank of America | 96,005.48 |
| Regions Bank | 95,985.00 |
| Wachovia - MM Savings | 244,660.48 |
| Wachovia Business Checking | -19,055.92 |
| Total Checking/Savings | 418,595.04 |
| Other Current Assets | |
| Prepaid Expenses | 582.76 |
| Total Other Current Assets | 582.76 |
| Total Current Assets | 419,177.80 |
| Fixed Assets | |
| Fixed Asset | 1,200,000.00 |
| Total Fixed Assets | 1,200,000.00 |
| TOTAL ASSETS | 1,619,177.80 |
| LIABILITIES & NET ASSETS | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| Accounts Payable | 15,882.85 |
| Total Accounts Payable | 15,882.85 |
| Other Current Liabilities | |
| Accounts Payable/Accrued Exp. | 442.17 |
| Total Other Current Liabilities | 442.17 |
| Total Current Liabilities | 16,325.02 |
| Total Liabilities | 16,325.02 |
| Net Assets | |
| Retained Earnings | 1,703,033.06 |
| Net Income | -100,180.28 |
| Total Net Assets | 1,602,852.78 |
| TOTAL LIABILITIES & NET ASSETS | 1,619,177.80 |

Florida Patient Safety Corporation
Statement of Activities
July through September 2008

| | <u>Jul - Sep 08</u> | <u>Budget</u> |
|--|---------------------|-------------------|
| Ordinary Income/Expense | | |
| Expense | | |
| Accounting Services | | |
| Audit | 5,000.00 | 10,000.00 |
| Monthly Accounting Services | 800.00 | 0.00 |
| Accounting Services - Other | 615.00 | 4,800.00 |
| Total Accounting Services | <u>6,415.00</u> | <u>14,800.00</u> |
| Bank Service Charges | 166.32 | 0.00 |
| Board of Directors | | |
| Telephone conference | 184.02 | 0.00 |
| Total Board of Directors | <u>184.02</u> | <u>0.00</u> |
| Committees | | |
| Litigation Alternative Advisory | | |
| Other | 75.00 | 0.00 |
| Total Litigation Alternative Advisory | <u>75.00</u> | <u>0.00</u> |
| Total Committees | 75.00 | 0.00 |
| Contracts | | |
| Scientific Director | 36,249.99 | 145,000.00 |
| Management | 31,249.98 | 125,000.00 |
| Total Contracts | <u>67,499.97</u> | <u>270,000.00</u> |
| FAW | 38.74 | 0.00 |
| Insurance | | |
| D&O Coverage | 291.39 | 1,300.00 |
| Total Insurance | <u>291.39</u> | <u>1,300.00</u> |
| Legal Representation | | |
| Monthly retainer | 20,000.00 | 0.00 |
| Other | 3,188.72 | 0.00 |
| Legal Representation - Other | 0.00 | 36,000.00 |
| Total Legal Representation | <u>23,188.72</u> | <u>36,000.00</u> |
| Patient Safety Awareness Week | 0.00 | 15,000.00 |
| Patient Safety Initiatives | 2,000.00 | 0.00 |
| Printing and Reproduction | 0.00 | 3,000.00 |
| Public Relations/Marketing | 1,259.76 | 0.00 |
| Telephone | 0.00 | 2,400.00 |
| Web Site | 0.00 | 19,200.00 |
| Total Expense | <u>101,118.92</u> | <u>361,700.00</u> |
| Net Ordinary Income | -101,118.92 | -361,700.00 |

Florida Patient Safety Corporation
Statement of Activities
July through September 2008

| | <u>Jul - Sep 08</u> | <u>Budget</u> |
|-----------------------------|---------------------------|---------------------------|
| Other Income/Expense | | |
| Other Income | | |
| Bank Interest | 938.64 | 0.00 |
| Total Other Income | <u>938.64</u> | <u>0.00</u> |
| | | |
| Other Expense | | |
| Other Expenses | 0.00 | 6,000.00 |
| Total Other Expense | <u>0.00</u> | <u>6,000.00</u> |
| | | |
| Net Other Income | <u>938.64</u> | <u>-6,000.00</u> |
| | | |
| Net Income | <u><u>-100,180.28</u></u> | <u><u>-367,700.00</u></u> |