

NATIONAL HEALTH SYSTEMS, INC.
BALANCE SHEETS
DECEMBER 31, 2004 and 2003

	2004	2003
ASSETS		
Current assets		
Cash and cash equivalents	\$ 748,411	\$ 717,086
Accounts receivable	56,679	211,899
Prepaid expenses	68,662	64,569
Total current assets	873,752	993,554
 Property and equipment, at cost		
Computer equipment and software	404,517	1,438,507
Furniture and fixtures	167,293	167,293
Leasehold improvements	13,720	13,720
	585,530	1,619,520
Less accumulated depreciation and amortization	(440,988)	(1,238,013)
Net property and equipment	144,542	381,507
 Total assets	 \$ 1,018,294	 \$ 1,375,061
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 12,728	\$ 16,004
Accrued expenses	707	4,783
Current portion of long term debt	-	-
Total current liabilities	13,435	20,787
Long term debt, less current portion	-	-
Total liabilities	13,435	20,787
 Stockholders' equity		
Common stock	20	20
Retained earnings	1,004,839	1,354,254
Total stockholders' equity	1,004,859	1,354,274
 Total liabilities and stockholders' equity	 \$ 1,018,294	 \$ 1,375,061

See accountant's compilation report