FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2004-08-12** | Period of Report: **2004-06-30**
SEC Accession No. 0001269678-04-000139

(HTML Version on secdatabase.com)

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UNITED MEDICORP INC

CIK:**831460**| IRS No.: **752217002** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-10418** | Film No.: **04970365**
SIC: **6411** INSURANCE AGENTS, BROKERS & SERVICE

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2004

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission File Number 1-10418

UNITED MEDICORP, INC.
(Exact Name of Registrant as Specified in its Charter)

DELAWARE	75-2217002
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 N. Cuyler Street Pampa, Texas	79065
(Address of principal executive offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (806) 669-9223

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO ---

As of August 9, 2004, there were outstanding 30,713,550 shares of Common Stock, $0.01 par value.

UNITED MEDICORP, INC.
FORM 10-Q
For the quarterly period ended June 30, 2004

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PART II - OTHER INFORMATION

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UNITED MEDICORP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

<S>	(Unaudited) June 30, 2004 <C>	December 31, 2003 <C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 471,441	$ 62,851
Restricted cash	109,323	60,365
Accounts receivable, net of allowance for doubtful accounts of $417 in 2003 and 2002	751,543	707,301
Deposits with factor	2,045	1,313
Prepaid expenses and other current assets	11,435	31,106
Total current assets	1,345,787	862,936
Other non-current assets	19,123	18,773
Property and equipment, net of accumulated depreciation of $861,592 and $817,554 respectively	344,957	381,354
Developed and purchased software net of accumulated amortization of $225,678 and $205,661 respectively	86,242	92,527
Assets under capital leases, net of accumulated amortization of $251,434 and $232,514, respectively	185,496	204,279
Total assets	1,981,605	1,559,869
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of capital lease obligations	42,574	41,177
Current portion of notes payable	58,063	44,986
Trade accounts payable	57,928	113,364
Payable to clients	97,729	54,008
Accrued professional fees	15,541	19,662
Accrued payroll and benefits	247,466	209,461
Accrued expenses - Allied Health Options	42,892	43,284
Accrued expenses other	44,387	13,123
Total current liabilities	606,580	539,065
Long term capital lease obligations	125,261	146,535
Long term notes payable, excluding current portion	238,744	165,996
Deferred revenue - Pampa Economic Development Corporation	120,000	120,000
Total liabilities	1,090,585	971,596
Stockholders' equity:		

Common stock; $0.01 par value; 50,000,000 shares authorized; 31,019,097 and 29,519,097 shares issued, respectively	310,191	295,191
10% Cumulative convertible preferred stock; $0.01 par value; 5,000,000 shares authorized; none issued	--	--
Less treasury stock at cost, 350,547shares	(223,456)	(221,881)
Additional paid-in capital	18,800,771	18,815,771
Retained deficit	(17,996,486)	(18,300,808)
Total stockholders' equity	891,020	588,273
Total liabilities and stockholders' equity	$ 1,981,605	$ 1,559,869

</TABLE>

The accompanying notes are an integral part of these condensed consolidated financial statements

<TABLE>
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UNITED MEDICORP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Revenues:				
Billing, collection, and coding services...	$ 1,163,937	$ 805,167	$ 2,186,556	$ 1,630,548
Coding services	61,591	46,986	109,723	92,469
Other revenues	17,463	15,250	40,182	30,625
Total revenues	1,242,991	867,403	2,336,461	1,753,642
Expenses:				
Wages and benefits	703,812	606,596	1,449,152	1,198,183
Selling, general and administrative	249,305	165,530	437,952	325,799
Depreciation and amortization	41,717	22,572	82,974	41,626
Office, vehicle and equipment rental	3,500	4,369	8,338	10,330
Professional fees	19,502	24,857	37,509	45,364
Interest, net	8,010	4,609	16,214	7,981
Loss on disposal of assets	--	--	--	--
Provision for doubtful accounts	--	--	--	--
Total expenses	1,025,846	828,533	2,032,139	1,629,283
Net income	$ 217,145	$ 38,870	$ 304,322	$ 124,359
Basic earnings per common share:				
Net income	$ 0.0072	$ 0.0013	$ 0.0102	$ 0.0043
Weighted average shares outstanding	29,963,550	29,213,550	29,713,550	29,211,884
Diluted earnings per common share:				
Net income	$ 0.0069	$ 0.0012	$ 0.0097	$ 0.0040
Weighted average shares outstanding	31,416,308	31,200,000	31,372,687	31,319,500

</TABLE>

The accompanying notes are an integral part of these condensed consolidated financial statements

<TABLE>
<CAPTION>

UNITED MEDICORP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<S>	Six Months Ended June 30, 2004 <C>	2003 <C>
Cash flows from operating activities:		
Net income	$ 304,322	$ 124,359
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of assets under capital leases	19,318	4,742
Depreciation of fixed assets	63,656	36,884
Changes in assets and liabilities:		
Restricted cash	(48,958)	10,625
Accounts receivable, gross	(44,242)	24,932
Factor reserve	(732)	(76,335)
Prepaid expenses and other assets	19,321	(34,665)
Accounts payable	(55,436)	15,136
Payable to clients	43,721	(13,020)
Accrued liabilities	64,756	(3,350)
Net cash provided by operating activities	365,726	89,308
Cash flows from investing activities:		
Purchase of automobiles, furniture, equipment and improvements	(10,323)	(64,375)
Capitalized software development	(11,300)	(32,605)
Proceeds from sale of equipment	114	1,500
Net cash used in investing activities	(21,509)	(95,480)
Cash flows from financing activities:		
Repayment of capital lease obligations	(19,877)	(21,287)
Repayment of notes payable	(16,175)	(9,003)
Purchase of treasury stock	(1,575)	50
Net proceeds from bank lines of credit	102,000	27,350
Net cash used in financing activities	64,373	(2,890)
Increase (decrease) in cash and cash equivalents	408,590	(9,062)
Cash and cash equivalents at beginning of period	62,851	51,760
Cash and cash equivalents at end of period	$ 471,441	$ 42,698
Supplemental disclosures:		
Cash paid for interest	$ 16,214	$ 7,981
Non cash investing and financing activities:		
Additions to Capital Lease Obligations	$ --	$ 47,717

</TABLE>

The accompanying notes are an integral part of these condensed consolidated financial statements

UNITED MEDICORP, INC. AND SUBSIDIARY
Notes to the Condensed Consolidated Financial Statements

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements of United Medicorp, Inc. ("UMC" or the "Company" or the "registrant") include its wholly owned subsidiary, United Moneycorp. Inc. ("UMY"). All material intercompany transactions and balances have been eliminated. Certain prior year balances have been reclassified to conform with current year presentation. The financial information presented should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2003 included in the Company's Form 10-K.

The unaudited consolidated financial information has been prepared in accordance with the Company's customary accounting policies and practices. In the opinion of management, all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of results for the interim period, have been included.

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, liabilities, revenues and expenses. The results for interim periods are not necessarily indicative of results to be expected for the year.

ACCOUNTS RECEIVABLE CONCENTRATION

The following table shows the concentration of total net accounts receivable at June 30, 2004 and December 31, 2003. There was a significant change in the concentration of the Company's accounts receivable due to the cancellation of a significant contract as of March 31, 2004 and the addition of two new significant contracts in March and May of 2004. As of the date of the filing of this form 10Q, management does not anticipate any problems in collecting its accounts receivable.

	06/30/04	12/31/03
Customer A..............................	7%	63%
Customer B..............................	1	3
Customer C..............................	44	--
Customer D..............................	23	--
Other customers.........................	25	34
	100%	100%

SOFTWARE DEVELOPMENT COSTS

The cost of software that is developed or purchased for internal use is accounted for pursuant to AICPA Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" ("SOP 98-1"). Pursuant to SOP 98-1, the Company capitalizes costs incurred during the application development stage of software developed for internal use, and expenses costs incurred during the preliminary project and the post-implementation stages of development. During the first six months of 2004, the Company capitalized $11,300 in costs incurred for new internal software development that was in the application development stage.

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FACTOR RESERVE

The Factor Reserve account includes 20% of outstanding invoices purchased by the factoring company (required reserve) and the excess above this 20%, which is available to be drawn by UMC as cash upon demand (available reserve). At June 30, 2004 and December 31, 2003, UMC had no factored invoices outstanding, therefore the balance in the factor reserve account represents cash reserves on deposit at the factoring company. The factoring company pays interest at the rate of prime minus two percent on excess funds that remain on deposit with the factoring company. The balances of the available reserves included in the Factor Reserve as of June 30, 2004 and December 31, 2003 were as follows

	June 30, 2004	December 31, 2003
Required Reserve................................	$ --	$ --
Available Reserve...............................	2,045	1,313

Factor Reserve at end of period.................	$ 2,045	$ 1,313

SFAS NO. 148 PRO FORMA

Pro forma net income and earnings per share presented below reflect the results of the Company for the first six months of the respective years as if the fair value based accounting method described in SFAS No. 148 had been used to account for stock and warrant-based compensation costs, net of taxes and forfeitures of prior year grants:

	Three Months Ended June 30		Six Months Ended June 30	
	2004	2003	2004	2003
<S>	<C>	<C>	<C>	<C>
Pro forma impact of fair value method (FAS 148)				
Net income	$ 217,145	$ 38,870	$ 304,322	$ 124,359
SFAS No. 148 employee compensation cost............	(1,885)	(2,045)	(2,951)	(4,123)
Pro forma net income	215,260	36,825	301,371	120,236
Earnings per common share				
Basic as reported..................................	$ .0072	$ .0013	$ .0102	$ .0043
Diluted as reported................................	.0069	.0012	.0097	.0040
Basic - pro forma..................................	.0072	.0013	.0101	.0041
Diluted - pro forma................................	$ .0069	$ .0012	$ .0096	$ .0038
Weighted average Black-Scholes fair value assumptions				
Risk free interest rate............................	2.5%	2.5%	2.5%	2.5%
Expected life......................................	10 years	10 years	10 years	10 years
Expected volatility................................	230%	230%	230%	230%
Expected dividend yield............................	--	--	--	--

</TABLE>

UNITED MEDICORP, INC. AND SUBSIDIARY
Management's Discussion and Analysis Of
Financial Condition and Results of Operations

ITEM 2 - Management's Discussion and Analysis Of Financial Condition and Results of Operations

GENERAL CONSIDERATIONS

Except for the historical information contained herein, the matters discussed may include forward-looking statements relating to such matters as anticipated financial performance, legal issues, business prospects, technological developments, new products, research and development activities and similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. In order to comply with the terms of the safe harbor, the Company notes that forward-looking statements include the intent, belief, or current expectations of the Company and members of its senior management team, as well as the assumptions on which such statements are based. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. Important factors currently known to management that could cause actual results to differ materially from those in forward-looking statements are set forth in the safe harbor compliance statement for forward-looking statements included as Exhibit 99.1 to this Form 10-Q and are hereby incorporated herein by reference. The Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time.

UMC and UMY derive their primary revenues from claims management services and accounts receivable management services. A substantial portion of UMC and UMY revenues are derived from recurring monthly charges to their customers under service contracts that typically are cancelable with a 30 to 60 day notice.

LOSS OF SIGNIFICANT CUSTOMERS

On October 22, 2003 UMC announced the resignation of its key contact at Presbyterian Healthcare Services of New Mexico ("PHS"). On February 20, 2004 UMC announced that it had been informed by new management at PHS that most of the business outsourced to UMC would be re-bid, and that the remaining business would be brought back in house in mid 2004. On March 15, 2004 PHS informed UMC that it was not selected as one of the vendors to provide ongoing services for PHS. PHS management stated that the reason UMC was not selected was because other vendors had submitted proposals with fee percentages lower than those proposed by UMC. UMC continued to receive placements of accounts from PHS through March 31, 2004, and revenues ramped down rapidly through the second quarter. This contract provided revenues of $788,757, $2,434,000, $2,246,000 and $1,744,000, which represented 34%, 62%, 65%, and 63% of total revenue for the first six months of 2004 and for the years 2003, 2002, and 2001 respectively.

On May 4, 2004, the Company received notification from management of Hamilton Hospital ("Hamilton") that they would be canceling their contract with UMC for day one claims management services effective June 24, 2004, which is the end of the initial one-year contract term. Hamilton management praised the work that UMC has done for them during the term of the contract, but cited cost considerations as the reason for termination. This contract generated revenue of $147,498 and $118,000 during the first six months of 2004 and for the year 2003 which represented 6% and 3% of each period's gross revenue respectively.

On March 11, 2004, the Company executed a day one claims management agreement with Lubbock Heart Hospital ("LHH"). This contract had an original term of three months and new placements to UMC were discontinued on June 11,

2004. This contract generated revenue of $331,000 during the second quarter of 2004, which represented 27% of second quarter 2004 gross revenue. Management expects revenue from this contract to ramp down rapidly during the third quarter of 2004.

MANAGEMENT'S PLAN WITH RESPECT TO LOST REVENUES

During the past several years, management has taken steps to lessen the Company's concentration risk associated with its large customers. These steps include, but are not limited to:

- In April 2002, the Company started up UMC's Coding Services Division. This division generated revenue of $110,000 and $183,000 during the first six months of 2004 and for the year 2003 respectively.

- In March 2003, the Company began development of its Electronic Medical Records Storage service. The beta test of this product was completed in September 2003, and the Company began offering this service to its customers shortly thereafter.

- From 2000 to 2004 the annual budget for UMC's sales and marketing department has increased from $0 to $299,000. In 2003 the Company's actual expenses for sales and marketing were $233,000 compared to $117,000 in 2002 and $15,000 in 2001.

- From June 24, 2003 through August 6, 2004, the Company has executed the following new contracts:

    - On July 8, 2004 the Company executed a contract for bad debt collections with a hospital in East Texas.
    - On July 1, 2004 the Company executed a contract for bad debt collections with a hospital in East Texas.
    - On May 7, 2004 the Company executed a contract for day one medical claims billing and follow up service, early stage patient balance collection service, and bad debt patient balance collection service with a hospital located in East Texas. This contract supercedes a contract that was previously executed on February 23, 2004 for early

stage and bad debt patient balance collection services.

- On May 1, 2004 the Company executed a contract for bad debt second collections with a hospital in South Texas.
- A collection services contract for early stage and bad debt patient balance accounts was executed on April 9, 2004, with a hospital in South Texas.
- An offsite electronic medical records storage contract with a hospital in Central Texas was executed on March 17, 2004.
- A medical claims management contract for day one billing and follow up was executed on March 12, 2004, with a hospital located in West Texas. The term of this contract is only two months, with an option to renegotiate the fee structure for ongoing billing at the end of the term.
- A collection services contract for early stage and bad debt patient balance accounts was executed on February 23, 2004, with a hospital in East Texas.
- A coding services contract with a hospital in West Texas was executed on February 16, 2004.
- A medical claims management contract for day one billing and follow up was executed on January 22, 2004, with a hospital located in West Texas.
- A collection services contract for early stage patient balance accounts was executed on December 18, 2003 with a hospital in South Texas.
- An offsite electronic medical records storage contract with a hospital in West Texas was executed on December 18, 2003.
- A coding services contract with a hospital in Central Texas was executed on December 12, 2003.

- A collection services contract for bad debt patient balance accounts was executed on December 10, 2003 with a hospital in South Texas.
- A coding services contract with two hospitals in Central Texas was executed on November 28, 2003.
- A collection services contract for early stage patient balance accounts was executed on November 20, 2003 with a hospital in West Texas.
- A coding services contract for overflow coding was executed with a hospital in East Texas was executed on November 5, 2003
- A collection services contract for bad debt patient balance accounts was executed on September 15, 2003 with a hospital in West Texas.
- A medical claims management contract for claims follow up and patient balance collections was executed on August 28, 2003 with a hospital located in West Texas.
- A collection services contract for early stage patient balance accounts was executed on August 6, 2003 with a hospital in West Texas.
- A medical claims management contract for day one billing and follow up was executed on June 24, 2003, with a hospital located in Central Texas. UMC management has received notice of this customer's intention to cancel this contract at June 24, 2004 (the end of the initial contract term), due to cost considerations.

Management continues to vigorously pursue new business while rigorously managing expenses without negatively impacting service levels. However, there can be no assurance that UMC will be successful in obtaining enough new business to replace the lost business from PHS.

REVENUE AND EARNINGS GUIDANCE FOR 2004

As of the date of this report, management's projection of annualized revenues from the new contracts listed above falls within a range between 60% and 98 % of the 2003 total revenues from PHS. With the remaining revenue to be received during 2004 from PHS during the ramp down phase, the new contracts described above along with other existing customers are projected to place the Company's 2004 revenues between 86% and 115% of 2003 revenues. In addition, management believes it will acquire additional new contracts in 2004 that will make up most if not the entire amount of revenue lost from PHS. Due to uncertainties regarding the profitability of new customer contracts, UMC management is not able to provide guidance with regard to net income. Net income as a percentage of revenue may deviate from historical norms. If management is unable to successfully develop and implement new profitable customer contracts and new service lines, payroll expense will be scaled down to the level required to service existing contracts, without sacrificing quality of service. If this adjustment in headcount is not sufficient to bring expenses in line with revenue and future cash requirements, management will be required to adopt other alternative strategies, which may include but are not limited to, actions such as further reducing management and line employee headcount and compensation, restructuring existing financial obligations, seeking a strategic merger or acquisition, seeking the sale of the Company or the Company's public shell, and/or seeking additional debt or equity capital. There can be no assurance that any of these strategies could be effected on satisfactory terms.

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UNITED MEDICORP, INC. AND SUBSIDIARY
Management's Discussion and Analysis Of
Financial Condition and Results of Operations (Continued)

The following table sets forth for each period indicated the volume and gross dollar amount of insurance claims received and fees recognized for each of the Company's two principal accounts receivable management services.

CLAIMS MANAGEMENT SERVICES - PROCESSING VOLUMES

	2004		2003				2002				2001	
	Quarter		Quarter				Quarter				Quarter	
	Second	First	Fourth	Third	Second	First	Fourth	Third	Second	First	Fourth	Third
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Number of Claims Accepted for Processing:												
Ongoing	26,250	36,869	36,740	42,001	31,282	30,549	32,602	43,522	37,952	34,012	21,818	11,905
Backlog	1,588	--	--	--	--	--	--	--	--	--	--	--
Total	27,838	36,869	36,740	42,001	31,282	30,549	32,602	43,522	37,952	34,012	21,818	11,905
Gross $ Amount of Claims Accepted for Processing (000's):												
Ongoing	84,830	34,232	40,723	36,662	24,272	23,033	26,717	30,772	22,085	23,336	14,221	8,864
Backlog	4,733	--	--	--	--	--	--	--	--	--	--	--
Total	89,563	34,232	40,723	36,662	24,272	23,033	26,717	30,772	22,085	23,336	14,221	8,864
Collections $ (000's)												
Ongoing	20,635	8,780	7,897	6,923	6,098	5,010	6,126	6,091	4,837	4,710	4,470	4,147
Backlog	4	--	--	--	--	--	--	--	--	6	11	80
Total	20,639	5,010	6,126	6,091	4,837	4,716	4,481	4,227	4,694	4,646	5,366	8,653
Fees Earned $ (000's)												
Ongoing	830	560	522	500	448	460	460	471	408	416	301	298
Backlog	--	--	--	--	--	--	--	--	--	1	2	13
Total	858	560	522	500	448	460	460	471	408	417	303	311
Average Fee %												
Ongoing	4.0%	6.4%	6.6%	7.2%	7.3%	8.6%	7.5%	7.7%	8.4%	8.8%	6.7%	7.2%
Backlog	--	--	--	--	--	--	--	--	16.6%	18.2%	16.3%	

For Ongoing claims, there is typically a time lag of approximately 5 to 90 days from contract execution to complete development of system interfaces and definition of procedural responsibilities with customer personnel. During this period, Company personnel survey the customer's existing operations and prepare for installation. Once the customer begins transmitting claims to the Company, there is usually a time lag of 30 to 90 days between transmission of claims to third party payers and collection of those claims from payers.

UNITED MEDICORP, INC. AND SUBSIDIARY
Management's Discussion and Analysis Of
Financial Condition and Results of Operations (Continued)

The following table sets forth for each period indicated the volume and gross dollar amount of customer service and collection accounts received and fees recognized for UMY.

COLLECTION SERVICES - PROCESSING VOLUME

	2004		2003				2002				2001	
	Quarter		Quarter				Quarter				Quarter	
	Second	First	Fourth	Third	Second	First	Fourth	Third	Second	First	Fourth	Third
Number of Accounts Accepted for Collection: (000's)												
Early out	43,803	37,828	37,336	34,601	24,330	11,266	13,859	17,818	17,467	26,963	27,413	28,537
Bad debt	22,268	21,728	38,092	27,390	15,448	15,322	26,281	16,430	14,598	19,856	25,811	932
Total	39,778	59,556	75,428	61,991	39,778	26,588	40,140	34,248	32,065	46,819	53,224	29,469
Gross $ Amount of Accounts Accepted for Collection (000's)												
Early out	50,768	38,110	32,808	30,561	17,897	10,815	12,021	13,424	14,120	22,647	20,724	20,972
Bad debt	3,598	14,067	24,693	16,993	12,379	12,547	15,934	9,714	10,358	12,880	17,035	762
Total	54,366	52,177	57,501	47,554	30,276	23,362	27,955	23,138	24,478	35,527	37,759	21,734
Collections $ (000's)												
Early out	2,456	2,679	2,535	1,862	1,105	949	1,220	1,563	2,007	2,449	2,433	3,810
Bad debt	618	1,140	1,301	1,283	1,074	1,155	909	939	892	740	422	57
Total	3,074	3,819	3,836	3,145	2,179	2,104	2,129	2,502	2,899	3,189	2,855	3,867
Fees Earned $ (000's)												
Early out	191	222	202	182	132	113	131	157	187	227	215	356
Bad debt	143	241	279	279	226	252	203	208	186	152	94	9
Total	334	463	481	461	358	365	334	365	373	379	309	365
Average Fee %												
Early out	7.9%	8.3%	8.0%	9.7%	11.9%	11.9%	10.7%	10.0%	9.3%	9.3%	8.8%	9.3%
Bad debt	23.5%	21.3%	21.4%	21.7%	21.0%	22.1%	22.3%	22.1%	20.8%	20.4%	22.2%	15.8%

</TABLE>

For placements of collection accounts, there is typically a time lag of approximately 15 to 45 days from contract execution to electronic transfer of accounts from the customer. In many cases, collection accounts are transferred to UMY via hard copy media, which requires UMY employees to manually enter collection account data into the UMY system. Collection fee percentages charged to the customer vary depending on the service provided, the age and average balance of accounts.

<TABLE>
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RESULTS OF OPERATIONS

The following table sets forth certain items from the Company's Consolidated Statements of Operations expressed as a percentage of revenues:

	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003	Six Months Ended June 30, 2004	Six Months Ended June 30, 2003
<S>	<C>	<C>	<C>	<C>
Revenue	100%	100%	100%	100%
Wages and benefits	57	70	62	68
Selling, general and administrative	20	19	19	18
Depreciation and amortization	3	2	3	2
Office, vehicle and equipment rental	--	1	--	1
Professional fees	2	3	2	3
Interest, net, and other (income) expense	1	1	1	1
Provision for doubtful accounts	--	--	--	--
Total expenses	83	96	87	93
Net income	17%	4%	13%	7%

</TABLE>

Comparison of the Quarter Ended June 30, 2004 to the Quarter Ended June 30, 2003

Revenues increased $376,000 or 43% primarily due to the following:

o Ongoing Claims Management Services revenue of $830,000 in the current quarter increased by $382,000 compared to the same quarter in 2003 as a result of multiple changes to the Company's claims inventory mix. The increase was due primarily to revenue from six ongoing accounts receivable management services contracts that were executed after the second quarter of 2003. These contracts provided revenue of $574,000 during the second quarter of 2004. The Company also received $14,000 in increased revenue from an ongoing accounts receivable management contract that was signed October 31, 2000. This revenue increase was partially offset by reduced revenue from an ongoing accounts receivable management services contract that was signed March 22, 2000 and was cancelled effective March 31, 2004. This contract provided revenues of $109,000 and $315,000 during the second quarter of 2004 and 2003 respectively

Of the $574,000 received during the second quarter of 2004 from new contracts, $426,000 was from contracts for which the term was completed during the second quarter. Management is currently seeking renewal of these contracts. If management is not successful in negotiating a renewal, it expects revenue from these contracts to ramp down rapidly during the third quarter of 2004.

o Collection Agency Services revenue of $334,000 in the current quarter was $24,000 less than the amount of collection agency services revenue recognized in the same quarter of 2003, primarily due to loss of the PHS contract in March 2004. This contract provided combined revenue of $131,000 and $305,000 during the second quarter of 2004 and 2003 respectively. This decrease in revenue was partially offset by revenue from four contracts that were signed after the second quarter of 2003. These contracts provided combined revenue of $122,000 during the first six months of 2004. The Company also received increased revenue from an early stage self pay collections agreement signed April 15, 2003. This contract provided revenue of $41,000 and $5,000 during the second quarter of 2004 and 2003 respectively. Net revenues from other customers decreased by

<TABLE>
<CAPTION>

$8,000 during the second quarter of 2004 as compared to the second quarter of 2003.

o Coding Services revenue - In April of 2002, Janice K. Neal joined UMC as Vice President of Coding Services, and the Company began providing such services to various hospitals. Total revenues from coding services were $62,000 and $47,000 during the second quarter of 2004 and 2003 respectively. During the third quarter of 2002, the Company began offering off-site coding services through its proprietary coding web site. The table below displays the number of claims accepted and coded through the web site by quarter.

ONLINE CODING SERVICES - PROCESSING VOLUME

	2004		2003				2002	
	Quarter		Quarter				Quarter	
	Second	First	Fourth	Third	Second	First	Fourth	Third
Number of Claims accepted for Coding:								
Inpatient	602	832	303	177	213	161	140	9
Outpatient	780	699	1,007	734	761	553	201	--
Total	1,382	1,531	1,310	911	974	714	341	9

o Other revenue of $17,000 increased by $2,000 compared to the same quarter of 2003 due to $1,000 in consulting revenue and medical records storage fees recognized during the second quarter of 2004 and incentive income from the Pampa Economic Development Corporation ("PEDC") of $16,000 compared to PEDC incentive income of $15,000 during the previous year quarter.

Wages and benefits expense increased $97,000 or 16% as a result of multiple factors. Salary and wage expense increased $43,000 as result of the addition of a Director of Claims Operations in September of 2003, a slight increase in headcount and normal merit raises. UMC averaged 91 full time and 11 part time employees during the second quarter of 2004 compared to 89 full time and 10 part time during the second quarter of 2003. Employee benefit cost increased $16,000 as a result more employees being eligible for the Company's benefit plans. During the second quarter of 2004 there was an average of 82 employees enrolled in the Company's group health insurance plan compared to 69 during the second quarter of 2003. Bonus expense increased by $38,000 due to higher performance and annual bonus accruals as a result of increased collection fees and profitability.

Selling, general and administrative expense increased $84,000 or 51% due primarily to increases in postage $6,000 and office supplies $4,000 as the result of an increase in the number of collection letters sent during the second quarter of 2004; sales commissions $23,000 as a result of increased sales; employee relocation $25,000 as a result of moving UMC's Vice President of Sales from Midland, Texas to Garland Texas; software maintenance $12,000 due to increased claims billing start up projects; Taxes and Insurance $9,000 due to accruals for state franchise tax; and contract labor $5,000 due to reimbursement to a customer for the use of one of its employees for on-site labor.

Depreciation and amortization expense increased $19,000 or 85% as a result of the addition of approximately $404,000 in leased and purchased fixed assets during 2003, and additions of approximately $22,000 during the first six months of 2004.

Office, vehicle and equipment rental expense decreased $800 or 20% primarily due to the completion of the lease term on a 2000 Toyota Avalon in April of 2003.

Professional fees decreased $5,000 or 22% due to primarily to legal fees of $11,000 incurred during the second quarter of 2003 compared to legal fees of $2,000 incurred during the first quarter of 2004. This decrease in legal fees was partially offset by an increase in audit and accounting fees of $3,000 and an increase in other professional fees of $1,000.

Interest expense increased $3,400 due to interest incurred on a capital lease, three auto loans, and two unsecured lines of credit that were added after the second quarter of 2003.

Comparison of the Six Months Ended June 30, 2004 to the Six Months Ended June 30, 2003

Revenues increased $583,000 or 33% primarily due to the following:

o Ongoing Claims Management Services revenue of $1,390,000 in the current six-month period increased by $482,000 compared to the first six months of 2003 as a result of multiple changes to the Company's claims inventory mix. The increase was due primarily to revenue from seven ongoing accounts receivable management services contracts that were executed after the second quarter of 2003. These contracts provided revenue of $718,000 during the second quarter of 2004. The Company also received $22,000 in increased revenue from an ongoing accounts receivable management contract that was signed October 31, 2000. This revenue increase was partially offset by reduced revenue from an ongoing accounts receivable management services contract that was signed March 22, 2000 and was cancelled effective March 31, 2004. This contract provided revenues of $382,000 and $611,000 during the first six months of 2004 and 2003 respectively. During the first six months of 2003, the Company also recognized revenue of $29,000 from a contract dated August 1, 2002, that was terminated in December 2002. This contract did not generate any revenue during the first six months of 2004

  Of the $718,000 received during the first six months of 2004 from new contracts, $481,000 was from contracts for which the term was completed during the second quarter. Management is currently seeking renewal of these contracts. If management is not successful in negotiating a renewal, it expects revenue from these contracts to ramp down rapidly during the third quarter of 2004.

o Collection Agency Services revenue of $797,000 in the current six-month period increased by $75,000 compared to the same period of 2003, primarily due to revenue from seventeen contracts that were signed after the second quarter of 2003. These contracts provided combined revenue of $192,000 during the first six months of 2004. The Company also received increased revenue from an early stage self pay collections agreement signed April 15, 2003. This contract provided revenue of $86,000 and $5,000 during the fist six months of 2004 and 2003 respectively. This increased revenue was partially offset by reduced revenue from an early stage self-pay collections and bad debt collection agreement signed March 13, 2000 and cancelled March 31, 2004. This contract provided combined revenue of $407,000 and $610,000 during the second quarter of 2004 and 2003 respectively. Net revenues from other customers increased by $5,000 during the first six months of 2004 as compared to the first six months of 2003.

o Coding Services revenue - In April of 2002, Janice K. Neal joined UMC as Vice President of Coding Services, and the Company began providing such services to various hospitals. Total revenues from coding services were $110,000 and $92,000 during the first six months of 2004 and 2003 respectively.

o Other revenue of $40,000 during the current six-month period increased by $9,000 compared to the same six-month period of 2003. For the first six months of 2004, other income consisted of $33,600 of PEDC incentive income, $700 in consulting fee income, $4,000 of interest income, and $1,700 in installation and service fees for medical records storage. Other income consisted of PEDC incentive income of $31,000 during the first six months of 2003.

Wages and benefits expense increased $251,000 or 11% due primarily to increased headcount. The Company averaged 98 full time and 11 part time employees during the first six months of 2004 compared to 87 full time and 9 part time during the first 6 months of 2003. Salary and wage expense increased by $153,000, payroll tax expense $12,000, and employee benefit cost increased $46,000 during the first six months of 2004 as compared to the first six months of 2003. Bonus expense increased $40,000 during the current six-month period due to higher performance bonuses paid and higher annual bonus accruals as a result of increased fees and profitability.

Selling, general and administrative expense increased $112,000 or 34% primarily due to increases in postage $17,000 and office supplies $7,000 due to an increase in the number of collection letters sent during the first six months of 2004; sales commissions $24,000 and telephone expense $3,000 as a result of increased business and sales; employee relocation $25,000 as a result of moving UMC's Vice President of Sales from Midland, Texas to Garland Texas; software maintenance and system usage fees $14,000 due to increased claims billing start up projects and an increase in day one claims billed; Taxes and Insurance $16,000 due to accruals for Texas state franchise tax (Texas state franchise tax was not accrued during the previous year due to the availability of net operating loss carryforwards to offset taxable income); contract labor $5,000 due to reimbursement to a customer for the use of one of its employees for on-site labor; travel and entertainment $6,000 as a result of increased travel required by a larger customer base, and increased activity in the sales and marketing department. These increased expenses were partially offset by a decrease in factoring fees of $12,000 during the current six-month period. The Company factored invoices during the first two weeks of 2004, but factored invoices for the entire first six months of 2003. All other SG&A expenses increased by a net $7,000 during the first six months of 2004 as compared to the first six months of 2003.

Depreciation and amortization expense increased $41,000 or 99% as a result of the addition of approximately $404,000 in leased and purchased fixed assets during 2003, and additions of approximately $22,000 during the first six months of 2004.

Office, vehicle and equipment rental expense decreased $2,000 or 190% primarily due to the completion of the lease term on a 2000 Toyota Avalon in April of 2003.

Professional fees decreased $8,000 or 17% due to primarily to legal fees of $15,000 incurred during the first six months of 2003 compared to legal fees of $2,000 incurred during the first six months of 2004. This decrease in legal fees was partially offset by an increase in audit and accounting fees of $6,000. Other professional fees decreased by $1,000 during the current six-month period.

Interest, net increased $8,000 or 103% due to interest incurred on a capital lease, three auto loans, and two unsecured lines of credit that were added after the second quarter of 2003.

Liquidity and Capital Resources

At June 30, 2004, the Company's liquid assets, consisting of cash, totaled $471,441 plus unencumbered cash due from the factoring company of $2,044, compared to cash of $62,851 and unencumbered cash due from the factoring company

of $ 1,313 at December 31, 2003. The cash due from the factoring company is available to be wired to UMC by the factoring company upon UMC's request. Working capital was $739,000 at March 31, 2004 compared to working capital of $324,000 at December 31, 2003.

Operating activities during the current six-month period provided cash of $366,000, compared to cash of $89,000 provided by operating activities during the same period of 2003.

Cash of $21,000 was expended on investing activities during the current six-month period. $10,000 was expended for the purchase of equipment, software and building improvements, and $11,000 was expended for new software development. The Company expended $64,000 on investing activities during the same six-month period of 2003 for the purchase of automobiles, equipment, software and building improvements, and $33,000 was expended for new software development. The Company also received proceeds from the sale of a computer and other office equipment in the amount of $1,500 during the prior year period.

Financing activities during the current six-month period provided cash of $64,000 and consisted of $102,000 in net loan proceeds from the Company's two unsecured lines of credit, offset by principal payments totaling $16,000 for notes payable, and $20,000 on capital lease obligations. The Company also expended $2,000 for the purchase of treasury stock during the current six-month period. Financing activities during the same six-month period of 2003 used cash of $3,000 and consisted of $27,000 in loan proceeds for the purchase of three used automobiles and $50 in proceeds from the exercise of employee stock options, offset by principal payments totaling $9,000 for notes payable, and $21,000 on capital lease obligations.

During the current quarter, cash flow from operations was adequate to cover all working capital and liquidity requirements. Despite the loss of the contract with PHS as described in the Company's Form 10-K for the year ended December 31, 2003, management believes that current cash and cash equivalents and projected cash flows from operations together with the Company's lines of credit, factoring agreement, incentives under the Economic Development and Incentive Agreement, capital leases and other potential financing should be sufficient to support the Company's cash requirements.

CRITICAL ACCOUNTING POLICIES

Accounting principles generally accepted in the United States of America require the use of management's judgments and estimates in addition to the rules and requirements imposed by the accounting pronouncements. More detailed information about UMC's accounting policies is contained in Note B, Summary of Significant Accounting Policies, to our Consolidated Financial Statements included in our 2003 Form 10-K. Other accounting policies not discussed here are described there, and readers should review that information carefully. We have summarized below the accounting policies that we believe are most critical to understanding UMC's interim financial statements.

The Company reports financial information on a consolidated basis. Therefore, unless there is an indication to the contrary, financial information is provided for the parent company, United Medicorp, Inc., and its subsidiaries as a whole. Transactions between the parent company and any subsidiaries are eliminated for this purpose. UMC owns all of the capital stock of its subsidiaries, and does not have any subsidiaries that are not consolidated. None of UMC's subsidiaries are "off balance sheet", UMC has not entered into any "off balance sheet" transactions, and UMC has no "special purpose entities".

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates.

The Company's billing and collection services revenue is recognized upon receipt by the customer of payment from a third party payor or guarantor of a patient's account and upon notification by the customer to the Company that such payment has been received, or upon receipt of such payment by UMC. Coding service revenue and fees for medical record storage services are recognized when the services are performed.

Factored accounts receivable are accounted for pursuant to SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" ("SFAS No. 140"). Pursuant to SFAS No. 140, the Company treats its factored accounts receivable as a sales transaction, and as such, no liability is recognized for the amount of the proceeds received from the transfer of the accounts receivable. UMC has a contingent liability to repurchase any invoices that remain unpaid after 90 days. At June 30, 2004 there were no factored invoices outstanding.

The cost of software that is developed or purchased for internal use is accounted for pursuant to AICPA Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" ("SOP 98-1"). Pursuant to SOP 98-1, the Company capitalizes costs incurred during the application development stage of software developed for internal use, and expenses costs incurred during the preliminary project and the post-implementation operation stage's of development. During the first six months of 2004, the Company capitalized $11,300 in costs incurred for new internal software development that was in the application development stage.

Item 3 - Quantitative and Qualitative Disclosures About Market Risk

The Company qualifies as a small business issuer as defined in Rule 12b-2 of the Securities Exchange Act of 1934. As such, the Company is not required to provide information related to the quantitative and qualitative disclosures about market risk.

Item 4 - Controls and Procedures.

In order to ensure that the information that we must disclose in our filings with the Securities and Exchange Commission is recorded, processed, summarized and reported on a timely basis, we have adopted disclosure controls and procedures. Our Chief Executive Officer, Peter W. Seaman, and our Chief Financial Officer, Nathan E. Bailey, have reviewed and evaluated our disclosure controls and procedures as of August 6, 2004, and concluded that our disclosure controls and procedures are appropriate and that no changes are required at this time.

There have been no significant changes in our internal controls, or in other factors that could affect our internal controls, since August 6, 2004.

PART 11. Other Information

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

None

Item 3. Default Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(A) Exhibits

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT

31-1	Section 302 - Certification of Chief Executive Officer
31-2	Section 302 - Certification of Chief Financial Officer
32-1	Section 906 - Certification of Chief Executive Officer
32-2	Section 906 - Certification of Chief Financial Officer
99.1	Safe Harbor Compliance Statement for Forward-Looking Statements

(B) Reports on Form 8-K:

The Company filed the following reports on Form 8-K during the quarter ended March 31, 2004:

1) On May 17, 2004 the Company furnished a Current Report on Form 8-K attaching a press release reporting the Company's financial results for the first quarter ended March 31, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED MEDICORP, INC.
(Registrant)

By: /s/ Nathan E. Bailey   Date: August 11, 2004

Nathan E. Bailey
Vice President and Controller
(Principal Accounting Officer)

Exhibit 31-1

SECTION 302 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Peter W. Seaman, Chairman of the Board of Directors and Chief Executive Officer of United Medicorp, Inc.), certify that:

1. I have reviewed this quarterly report on Form 10-Q of United Medicorp, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flow of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act rules13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a -15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
    b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has

materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting and

5. The registrant's other certifying Officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting..

Date: August 11, 2004

/s/ Peter W. Seaman

Peter W. Seaman
Chairman of the Board and
Chief Executive Officer

Exhibit 31-2

SECTION 302 CERTIFICATION OF CHIEF FINANCIAL OFFICER

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Nathan E. Bailey, Vice President and Controller of United Medicorp, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of United Medicorp, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flow of the registrant as of, and for, the periods presented in this quarterly report.;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act rules13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a -15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
    b. Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred

during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting and

5. The registrant's other certifying Officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2004

/s/ Nathan E. Bailey

Nathan E. Bailey
Vice President and Controller

Exhibit 32-1

SECTION 906 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(18 U.S.C. 1350)

The undersigned, Peter W. Seaman, Chairman of the Board of Directors and Chief Executive Officer of United Medicorp, Inc. (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10Q for the quarter ended June 30, 2004 (the "Report").

The undersigned hereby certifies that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the 11th day of August 2004.

/s/ Peter W. Seaman

Peter W. Seaman

Chairman of the Board of Directors
Chief Executive Officer

Exhibit 32-2

SECTION 906 CERTIFICATION OF CHIEF FINANCIAL OFFICER

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(18 U.S.C. 1350)

The undersigned, Nathan E. Bailey, Vice President and Controller of United Medicorp, Inc. (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10Q for the quarter ended June 30, 2004 (the "Report").

The undersigned hereby certifies that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the 11th day of August 2004.

/s/ Nathan E. Bailey

Nathan E. Bailey

Vice President and Controller

Exhibit 99

PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995
SAFE HARBOR COMPLIANCE STATEMENT
FOR FORWARD LOOKING STATEMENTS

In passing the Private Securities Litigation Reform Act of 1995 (the "Reform Act"), Congress encouraged public companies to make "forward-looking statements" by creating a safe harbor to protect companies from securities law liability in connection with forward-looking statements. United Medicorp, Inc., including its wholly owned subsidiary United MoneyCorp, Inc., hereinafter collectively referred to as "UMC" or the "Company," intends to qualify both its written and oral forward-looking statements for protection under the Reform Act and any other similar safe harbor provisions.

"Forward-looking statements" are defined by the Reform Act. Generally, forward looking statements include expressed expectations of future events and the assumptions on which the expressed expectations are based. All forward looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events, and they are subject to numerous known and unknown risks and uncertainties which could cause actual events or results to differ materially from those projected. Due to those uncertainties and risks, the investment community is urged not to place undue reliance on written or oral forward-looking statements of UMC. The Company undertakes no obligation to update or revise this Safe Harbor Compliance Statement for Forward-Looking Statements (the "Safe Harbor Statement") to reflect future developments. In addition, UMC undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time.

UMC provides the following risk factor disclosure in connection with its continuing effort to qualify its written and oral forward-looking statements for the safe harbor protection of the Reform Act and any other similar safe harbor provisions. Important factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include the disclosures contained in the Annual Report on Form 10-K to which this statement is appended as an exhibit and also include, but are not limited to:

CUSTOMER CONCENTRATION RISK

The percentage market mix of total revenue from continuing operations was:

<TABLE>
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	Six Months Ended June 30, 2004	Year Ended December 31, 2003	2002	2001
<S>	<C>	<C>	<C>	<C>
Customer A......................	34%	62%	65%	63%
Customer B......................	--	--	--	9
Customer C......................	--	1	7	10
Customer D......................	14	17	13	9
Customer E......................	14	--	--	--
Other customers.................	52	20	15	9
	100%	100%	100%	100%

</TABLE>

For the quarter ended June 30, 2004 and for the previous three years, a large portion of the Company's revenues came from a contract with Presbyterian Healthcare System of New Mexico ("PHS"). This contract accounted for approximately 34%, 62%, 65% and 63% of total consolidated revenues during the six-month period ended June 30, 2004, and for the years ended December 31, 2003, 2002, and 2001, respectively. On October 22, 2003 UMC announced the resignation of its key contact at PHS. On February 20, 2004 UMC announced that it had been informed by new management at PHS that most of the business outsourced to UMC would be re-bid, and that the remaining business would be brought back in house

PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995
SAFE HARBOR COMPLIANCE STATEMENT
FOR FORWARD LOOKING STATEMENTS

in mid 2004. On March 15, 2004 PHS informed UMC that it was not selected as one of the vendors to provide ongoing services for PHS. PHS management stated that the reason UMC was not selected was because other vendors had submitted proposals with fee percentages lower than those proposed by UMC. UMC continued to receive placements of accounts from PHS through March 31, 2004. Revenues from PHS ramped down rapidly during the second quarter of 2004.

For the six-months ended June 30, 2004, 14% of the Company's revenues came from a contract with a hospital is south Texas. This contract also accounted for 17%, 13% and 9% of total consolidated revenues for the years ended December 31, 2003, 2002 and 2001, respectively. The balance of the Company's revenues came from approximately 25 other customers.

During the first six months of 2004, 14% of the Company's revenues came from a short term contract with a hospital in West Texas. This contract had an original term of 3 months and new placements to UMC were discontinued on June 11, 2004. Revenue from this contract will ramp down quickly during the third quarter of 2004.

MANAGEMENT'S PLAN WITH RESPECT TO LOST REVENUES

During the past several years, management has taken steps to lessen the Company's concentration risk associated with its large customers. These steps include, but are not limited to:

- In April 2002, the Company started up UMC's Coding Services Division. This division generated revenue of $110,000 and $183,000 during the first six months of 2004 and for the year 2003 respectively.

- In March 2003, the Company began development of its Electronic Medical Records Storage service. The beta test of this product was completed in September 2003, and the Company began offering this service to its customers shortly thereafter.

- From 2000 to 2004 the annual budget for UMC's sales and marketing department has increased from $0 to $299,000. In 2003 the Company's actual expenses for sales and marketing were $233,000 compared to $117,000 in 2002 and $15,000 in 2001.

- From June 24, 2003 through August 6, 2004, the Company has executed the following new contracts:

  - On July 8, 2004 the Company executed a contract for bad debt collections with a hospital in East Texas.
  - On July 1, 2004 the Company executed a contract for bad debt collections with a hospital in East Texas.
  - On May 7, 2004 the Company executed a contract for day one medical claims billing and follow up service, early stage patient balance

collection service, and bad debt patient balance collection service with a hospital located in East Texas. This contract supercedes a contract that was previously executed on February 23, 2004 for early stage and bad debt patient balance collection services.

- On May 1, 2004 the Company executed a contract for bad debt second collections with a hospital in South Texas.
- A collection services contract for early stage and bad debt patient balance accounts was executed on April 9, 2004, with a hospital in South Texas.
- An offsite electronic medical records storage contract with a hospital in Central Texas was executed on March 17, 2004.

Exhibit 99

PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995
SAFE HARBOR COMPLIANCE STATEMENT
FOR FORWARD LOOKING STATEMENTS

- A medical claims management contract for day one billing and follow up was executed on March 12, 2004, with a hospital located in West Texas. The term of this contract is only two months, with an option to renegotiate the fee structure for ongoing billing at the end of the term.
- A collection services contract for early stage and bad debt patient balance accounts was executed on February 23, 2004, with a hospital in East Texas.
- A coding services contract with a hospital in West Texas was executed on February 16, 2004.
- A medical claims management contract for day one billing and follow up was executed on January 22, 2004, with a hospital located in West Texas.
- A collection services contract for early stage patient balance accounts was executed on December 18, 2003 with a hospital in South Texas.
- An offsite electronic medical records storage contract with a hospital in West Texas was executed on December 18, 2003.
- A coding services contract with a hospital in Central Texas was executed on December 12, 2003.
- A collection services contract for bad debt patient balance accounts was executed on December 10, 2003 with a hospital in South Texas.
- A coding services contract with two hospitals in Central Texas was executed on November 28, 2003.
- A collection services contract for early stage patient balance accounts was executed on November 20, 2003 with a hospital in West Texas.
- A coding services contract for overflow coding was executed with a hospital in East Texas was executed on November 5, 2003
- A collection services contract for bad debt patient balance accounts was executed on September 15, 2003 with a hospital in West Texas.
- A medical claims management contract for claims follow up and patient balance collections was executed on August 28, 2003 with a hospital located in West Texas.
- A collection services contract for early stage patient balance accounts was executed on August 6, 2003 with a hospital in West Texas.
- A medical claims management contract for day one billing and follow up was executed on June 24, 2003, with a hospital located in Central Texas. UMC management has received notice of this customer's intention to cancel this contract at June 24, 2004 (the end of the initial contract term), due to cost considerations.

Management continues to vigorously pursue new business while rigorously managing expenses without negatively impacting service levels. However, there can be no assurance that UMC will be successful in obtaining enough new business to replace the lost business from PHS.

REVENUE AND EARNINGS GUIDANCE FOR 2004

As of the date of this report, management's projection of annualized revenues from the new contracts listed above falls within a range between 60% and 98 % of the 2003 total revenues from PHS. With the remaining revenue to be received during 2004 from PHS during the ramp down phase, the new contracts described above along with other existing customers are projected to place the Company's 2004 revenues between 86% and 115% of 2003 revenues. In addition, management believes it will acquire additional new contracts in 2004 that will make up most if not the entire amount of revenue lost from PHS. Due to uncertainties regarding the profitability of new customer contracts, UMC management is not able to provide guidance with regard to net income. Net income as a percentage of revenue may deviate from historical norms. If management is unable to successfully develop and implement new profitable customer contracts

and new service lines, payroll expense will be scaled down to the level required to service existing contracts, without sacrificing quality of service. If this adjustment in headcount is not sufficient to bring expenses in line with revenue and future cash requirements, management will be required to adopt other alternative strategies, which may include but are not limited to, actions such as further reducing management and line employee headcount and compensation, restructuring existing financial obligations, seeking a strategic merger or acquisition, seeking the sale of the Company or the Company's public shell, and/or seeking additional debt or equity capital. There can be no assurance that any of these strategies could be effected on satisfactory terms.

KEY MANAGEMENT AND BOARD OF DIRECTORS

The Company's success in general and its ability to grow its operations and increase its shareholder value is heavily dependent upon, among other things, the continued contributions of the Company's senior management and members of the Board of Directors. The loss of services of any single member of senior management or of the Board of Directors could have a material adverse effect on the Company's business.

ON-GOING MANAGEMENT INITIATIVES

The Company faces several challenges in order to continue to develop on-going management initiatives to enhance shareholder value. These challenges include, but are not limited to: (i) developing and implementing initiatives to reduce costs and enhance efficiencies, (ii) executing service agreements with new customers, (iii) exploring and exploiting fragmented market niches, and (iv) recruiting, hiring and retaining key management employees. There can be no assurance that the Company will successfully meet these or other operating challenges. Any failure with respect to the foregoing could have a material adverse effect on UMC.

FACTORING ARRANGEMENT AND CREDIT AVAILABILITY

In the past, the Company has relied upon its ability to factor its invoices pursuant to its recourse factoring agreement executed on December 28, 1999. During 2003, the Company obtained two unsecured $100,0000 bank lines of credit. These lines of credit combined with the Company's profitable performance over the past three years have resulted in an improved cash position and minimized the Company's dependence on factoring invoices. At June 30, 2004 the Company had cash on hand of $471,441, and unencumbered cash on deposit with the factoring company of $2,045. The Company had $2,000 of availability on the lines of credit, and no factored invoices at June 30, 2004. The factoring agreement is secured by all of the Company's non-factored accounts receivable. The factoring agreement may be terminated by either party with ten days notice.

The Company currently leases certain computer, telephone and office equipment under long-term lease agreements. Should the Company not be able to secure lease financing or other similar forms of credit, if required, upon terms and conditions that are acceptable to the Company, alternative strategies to fund equipment may be required. There can be no assurance that any of these strategies could be effected on satisfactory terms.

TECHNOLOGICAL ADVANCES

Rapid technological change is inherent in the industry in which UMC competes. UMC's success will depend in part upon its continued ability to enhance its existing technology supporting billing, accounts receivable management and collection agency services quickly and cost-effectively to meet evolving customer needs and respond to emerging industry standards and other technological changes. There can be no assurance that UMC will be able to respond effectively to technological changes or new industry standards. Moreover, there can be no assurance that competitors of UMC will not develop a technological advantage, or that any such technological advantage will not have a material adverse effect upon the operating results of UMC.

Exhibit 99

PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995
SAFE HARBOR COMPLIANCE STATEMENT
FOR FORWARD LOOKING STATEMENTS

COMPETITION

The business of medical insurance claims processing, accounts receivable management and collection agency services is highly competitive. UMC competes with certain national and regional electronic claims processing companies, claims collection companies, claims management companies, collection agencies, factoring and financing firms, software vendors and traditional in-house claims processing and collections departments of hospitals and other healthcare providers. Many competitors of UMC are several times larger than the Company and could, if they chose to enter the market for the Company's line of services, devote resources and capital to the market that are much greater than those which the Company currently has available or may have available in the future. There can be no assurance that competition from current or future competitors will not have a material adverse effect upon the Company.

INDUSTRY AND MARKET CHANGES

Potential industry and market changes that could adversely affect the billing and collection aspects of UMC include (i) a significant increase in managed care providers relative to conventional fee-for-service providers, potentially resulting in substantial changes in the medical reimbursement process, or the Company's failure to respond to such changes, (ii) new alliances between healthcare providers and reduction of central business offices, and (iii) continued cost containment measures employed by healthcare providers as healthcare expenditures have grown as a percentage of the U.S. Gross National Product. There can be no assurance that potential industry and market changes will not have a material adverse effect on UMC.

GOVERNMENTAL INVESTIGATIVE RESOURCES AND HEALTHCARE REFORM

The federal government in recent years has placed increased scrutiny on the billing and collection practices of healthcare providers and related entities, and particularly on possible fraudulent billing practices. This heightened scrutiny has resulted in a number of high profile civil and criminal investigations, lawsuits and settlements.

In 1996, Congress enacted the Health Insurance Portability and Accountability Act ("HIPAA") of 1996 , which includes an expansion of provisions relating to fraud and abuse, creates additional criminal offenses relating to healthcare benefit programs, provides for forfeitures and asset-freezing orders in connection with such healthcare offenses and contains provisions for instituting greater coordination of federal, state and local enforcement agency resources and actions.

The Company must continue to take necessary steps in order to maintain compliance with the requirements of HIPAA. Any failure to maintain such compliance could have a material adverse effect on the Company. There can be no assurance that the Company will be able to maintain such compliance.

In recent years, the focus of healthcare legislation has been on budgetary and related funding mechanism issues. The Congress and the Clinton and Bush Administrations have made proposals to reduce the rate of increase in projected Medicare and Medicaid expenditures and to change the funding mechanisms and other aspects of both programs. In late 1995 and 1997, Congress passed legislation that would substantially reduce projected expenditure increases and would make significant changes to Medicare and Medicaid programs. The Bush Administration has proposed alternate measures to manage Medicare and Medicaid expenditures. There can be no assurance that these changes will not have a material adverse effect on UMC.

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EXISTING GOVERNMENT REGULATION

Existing government regulations can adversely affect UMC's business through, among other things, its potential to reduce the amount of reimbursement received by UMC's customers upon which UMC's billing and collection fees are based. UMC's billing and collection activities are also governed by numerous federal and state civil and criminal laws. In general, these laws provide for various fines, penalties, multiple damages, assessments and sanctions for violations, including possible exclusion from Medicare, Medicaid and certain other federal and state healthcare programs.

Submission of claims for services that were not provided as claimed, or which violate the regulations, may lead to civil monetary penalties, criminal fines, imprisonment and/or exclusion from participation in Medicare, Medicaid and other federally funded healthcare programs. Specifically, the Federal False Claims Act allows a private person to bring suit alleging false or fraudulent Medicare or Medicaid claims or other violations of the statute. Such actions have increased significantly in recent years and have increased the risk that a company engaged in the healthcare industry, such as UMC and its customers, may become the subject of a federal or state investigation, may ultimately be required to defend a false claim action, may be subjected to government investigation and possible criminal fines, may be sued by private payers and may be excluded from Medicare, Medicaid and/or other federally funded healthcare programs as a result of such an action. Any such proceedings or investigation could have a material adverse effect on UMC.

Credit collection practices and activities are regulated by both federal and state law. The Federal Fair Debt Collection Practices Act sets forth various provisions designed to eliminate abusive, deceptive and unfair debt collection practices by collection agencies. Various states have also promulgated laws and regulations that govern credit collection practices.

There can be no assurance that current or future government regulations or current or future healthcare reform measures will not have a material adverse effect on UMC.