

**GOOD SAMARITAN HEALTH CENTER  
OF GWINNETT, INC.  
(a nonprofit organization)**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2013 and 2012**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Good Samaritan Health Center of Gwinnett, Inc.  
Lawrenceville, Georgia

We have audited the accompanying financial statements of Good Samaritan Health Center of Gwinnett, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Good Samaritan Health Center of Gwinnett, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Good Samaritan Health Center of Gwinnett, Inc.'s 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 24, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
CERTIFIED PUBLIC ACCOUNTANTS

April 30, 2014  
Duluth, Georgia

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2013 AND 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 542,528	\$ 240,345
Property and equipment, net	640,955	654,160
Other assets	<u>170</u>	<u>170</u>
 TOTAL ASSETS	 <u>\$ 1,183,653</u>	 <u>\$ 894,675</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accrued salaries and other expenses	\$ 24,234	\$ 12,136
Note payable	<u>425,094</u>	<u>439,550</u>
 Total Liabilities	 <u>449,328</u>	 <u>451,686</u>

NET ASSETS:

Unrestricted	495,654	389,956
Temporarily restricted	238,671	53,033
Permanently restricted	<u>-</u>	<u>-</u>
	<u>734,325</u>	<u>442,989</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,183,653</u>	 <u>\$ 894,675</u>

The accompanying notes are an integral part  
of these financial statements.

**GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>	
				<u>2013</u>	<u>2012</u>
<b><u>SUPPORT AND REVENUE</u></b>					
Support:					
Contributions	\$ 170,164	\$ 32,500	\$ -	\$ 202,664	\$ 208,056
Grants	50,036	372,880	-	422,916	308,243
Donated goods and services	366,739	-	-	366,739	333,029
Total support	586,939	405,380	-	992,319	849,328
Revenue:					
Medical services	536,005	-	-	536,005	429,687
Other income	-	-	-	-	5,204
Total revenue	536,005	-	-	536,005	434,891
Net assets released from restrictions	219,742	(219,742)	-	-	-
Total support and revenue	1,342,686	185,638	-	1,528,324	1,284,219
 <b><u>EXPENSES</u></b>					
Program services	1,090,565	-	-	1,090,565	833,319
Management and general	131,758	-	-	131,758	115,045
Fundraising	14,665	-	-	14,665	6,535
Total expenses	1,236,988	-	-	1,236,988	954,899
Change in net assets	105,698	185,638	-	291,336	329,320
Net assets, beginning of year	389,956	53,033	-	442,989	113,669
Net assets, end of year	\$ 495,654	\$ 238,671	\$ -	\$ 734,325	\$ 442,989

The accompanying notes are an integral part  
of these financial statements.

**GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 291,336	\$ 329,320
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	23,969	28,785
Decrease in accounts payable	-	(10,833)
Increase in accrued expenses	<u>12,098</u>	<u>4,078</u>
Net cash provided by operating activities	327,403	351,350
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(10,764)	(11,352)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on note payable	<u>(14,456)</u>	<u>(203,469)</u>
Net increase in cash	302,183	136,529
Cash, beginning of period	<u>240,345</u>	<u>103,816</u>
Cash, end of period	<u>\$ 542,528</u>	<u>\$ 240,345</u>

The accompanying notes are an integral part  
of these financial statements.

**GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>	
				<u>2013</u>	<u>2012</u>
Salaries & benefits:					
Salaries	\$ 405,166	\$ 94,167	\$ -	\$ 499,333	\$ 302,601
Employee benefits	103	1,569	-	1,672	674
Payroll taxes	<u>40,256</u>	<u>7,693</u>	<u>-</u>	<u>47,949</u>	<u>23,285</u>
 Total salaries and benefits	 <u>445,525</u>	 <u>103,429</u>	 <u>-</u>	 <u>548,954</u>	 <u>326,560</u>
 Other expenses:					
Contract labor	429,620	1,070	180	430,870	388,326
Education	1,021	1,143	-	2,164	2,105
Clinical supplies	21,656	-	-	21,656	20,095
Software support	2,957	2,768	-	5,725	6,395
Laboratory costs	51,478	-	-	51,478	37,339
Property insurance	5,047	213	53	5,313	4,502
Utilities	9,705	414	97	10,216	9,204
Janitorial services	4,551	191	48	4,790	5,121
Interest	21,471	904	226	22,601	46,762
Professional fees	-	5,958	6,275	12,233	3,200
Malpractice insurance	15,324	-	-	15,324	14,226
Office supplies	15,046	7,476	361	22,883	13,352
Marketing & advertising	724	473	3,705	4,902	5,902
Telephone	4,722	199	50	4,971	6,797
Licenses & permits	-	110	-	110	80
Bank and merchant charges	5,507	4,692	413	10,612	6,194
Miscellaneous	<u>33,440</u>	<u>1,760</u>	<u>3,017</u>	<u>38,217</u>	<u>29,954</u>
 Total other expenses	 <u>622,269</u>	 <u>27,371</u>	 <u>14,425</u>	 <u>664,065</u>	 <u>599,554</u>
 Total expenses before depreciation	 1,067,794	 130,800	 14,425	 1,213,019	 926,114
 Depreciation & amortization	 <u>22,771</u>	 <u>958</u>	 <u>240</u>	 <u>23,969</u>	 <u>28,785</u>
 Total expenses	 <u>\$ 1,090,565</u>	 <u>\$ 131,758</u>	 <u>\$ 14,665</u>	 <u>\$ 1,236,988</u>	 <u>\$ 954,899</u>

The accompanying notes are an integral part  
of these financial statements.



GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Good Samaritan Health Center of Gwinnett, Inc. (the Organization) was formed in March, 2004, to provide medical, health education, counseling and social services to the medically underserved community in Gwinnett County, Georgia, and surrounding areas.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Support and Revenue

The Organization's primary sources of funding are private contributions, grants from foundations and other sources and patient payments for services. Patient payments comprise approximately fifty percent of the overhead costs of services rendered.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Services donated by medical professionals are recorded at their fair market value.

Property and Equipment

Property and equipment are recorded at cost or, for donated assets, the fair market value at the date of donation. Depreciation is computed on a straight-line basis over the assets' useful lives as follows:

Office building	39 years
Medical equipment	5 years
Computer equipment	5 years
Office equipment	5 years
Furniture & fixtures	5 years
Leasehold improvements	7 years

-CONTINUED-

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for 2013 or 2012.

The Organization's Returns of Organizations Exempt from Income Tax (Form 990) for 2010, 2011 and 2012 are subject to examination by the IRS, generally for three years after they are filed.

Cash Flows

For the purposes of the statement of cash flows, cash is defined as cash in banks.

NOTE 2 - PROPERTY AND EQUIPMENT

The components of property and equipment at December 31, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Office building	\$725,000	\$725,000
Medical equipment	26,089	25,789
Computer equipment	68,021	59,760
Office equipment	18,747	18,747
Furniture and fixtures	20,959	18,755
Leasehold improvements	<u>13,180</u>	<u>13,180</u>
	871,996	861,231
Less accumulated depreciation	<u>231,041</u>	<u>207,071</u>
	<u>\$640,955</u>	<u>\$654,160</u>

**GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2013 AND 2012**

**NOTE 3 - NOTE PAYABLE**

	<u>2013</u>	<u>2012</u>
Note payable to a financial institution, due in monthly installments of \$2,894, including interest at prime plus 1.5%, with a minimum rate of 5.0%, maturity date of February 2033 at which time all principal and interest become due, secured by an office building with a net book value of \$613,000	\$425,094	\$ -
 Note payable to a financial institution, due in monthly installments of \$5,021, including interest at 7.47%, maturity date of February 2013	 -	 <u>439,550</u>
	<u>\$425,094</u>	<u>\$439,550</u>

Minimum aggregate annual principal payments as of December 31, 2013 are as follows:

2014	\$ 13,791
2015	14,497
2016	15,238
2017	16,018
2018	16,837
Thereafter	<u>348,713</u>
	<u>\$425,094</u>

The interest rate on the mortgage is subject to change every five years. The next rate change will occur on February 5, 2018. The prime rate at December 31, 2013 was 3.25%.

**NOTE 4 - SUPPLEMENTAL CASH FLOW INFORMATION**

Interest paid for the years ended December 31, 2013 and 2012 totaled \$22,601 and \$46,762, respectively.

**GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2013 AND 2012**

**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2013</u>	<u>2012</u>
Patient scholarships	\$ 8,450	\$ 5,033
Prisoner program	4,390	-
Accreditation project	4,386	48,000
Nurse practitioner support	66,188	-
Pediatric program	9,845	-
Evenings and weekends	14,692	-
Relocation/expansion	<u>130,720</u>	<u>-</u>
	<u>\$238,671</u>	<u>\$53,033</u>

**NOTE 6 - RELEASE OF ASSET RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes.

	<u>2013</u>	<u>2012</u>
Prisoner program	\$ 3,035	\$ -
Accreditation program	43,614	-
Nurse practitioner support	83,812	-
Pediatric program	155	-
Evenings and weekends	25,308	-
Relocation/expansion	6,780	-
Technology upgrades	7,880	18,851
Staff salaries	40,000	50,100
Patient payment assistance	9,158	10,913
Mortgage payments	-	195,000
Medical equipment	-	6,740
Dental services	<u>-</u>	<u>10,218</u>
	<u>\$219,742</u>	<u>\$291,822</u>

**NOTE 7 - CONTRACT LABOR**

Contract labor for 2013 and 2012 includes \$366,739 and \$333,029, respectively, of services donated by medical professionals. These services are recorded at their fair market value for the level of service provided.

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

NOTE 8 - PRIOR YEAR INFORMATION

The statements of activities and functional expenses include certain prior year summarized comparative information in total but not by net asset/program. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2012, from which the summarized information was derived.

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 30, 2014, which is the date the financial statements were available to be issued.