

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

FINANCIAL STATEMENTS

DECEMBER 31, 2014 and 2013

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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, 2014, 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, 2014, 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 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 30, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.


CERTIFIED PUBLIC ACCOUNTANTS

February 27, 2015
Duluth, Georgia

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2014 AND 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 748,441	\$ 542,528
Property and equipment, net	616,096	640,955
Other assets	<u>170</u>	<u>170</u>
 TOTAL ASSETS	 <u>\$ 1,364,707</u>	 <u>\$ 1,183,653</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accrued salaries and other expenses	\$ 20,694	\$ 24,234
Note payable	<u>411,607</u>	<u>425,094</u>
 Total Liabilities	 <u>432,301</u>	 <u>449,328</u>

NET ASSETS:

Unrestricted	543,361	495,654
Temporarily restricted	389,045	238,671
Permanently restricted	<u>-</u>	<u>-</u>
	<u>932,406</u>	<u>734,325</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,364,707</u>	<u>\$ 1,183,653</u>
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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, 2014 AND 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>	
				<u>2014</u>	<u>2013</u>
<u>SUPPORT AND REVENUE</u>					
Support:					
Contributions	\$ 25,728	\$ 181,855	\$ -	\$ 207,583	\$ 202,664
Grants	141,400	327,250	-	468,650	422,916
Donated goods and services	380,711	-	-	380,711	366,739
Total support	547,839	509,105	-	1,056,944	992,319
Revenue:					
Medical services	596,076	-	-	596,076	536,005
Other income	120	-	-	120	-
Total revenue	596,196	-	-	596,196	536,005
Net assets released from restrictions	358,731	(358,731)	-	-	-
Total support and revenue	1,502,766	150,374	-	1,653,140	1,528,324
 <u>EXPENSES</u>					
Program services	1,171,987	-	-	1,171,987	1,090,565
Management and general	152,187	-	-	152,187	131,758
Fundraising	130,885	-	-	130,885	14,665
Total expenses	1,455,059	-	-	1,455,059	1,236,988
Change in net assets	47,707	150,374	-	198,081	291,336
Net assets, beginning of year	495,654	238,671	-	734,325	442,989
Net assets, end of year	\$ 543,361	\$ 389,045	\$ -	\$ 932,406	\$ 734,325

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, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 198,081	\$ 291,336
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	24,859	23,969
(Decrease) increase in accrued expenses	<u>(3,540)</u>	<u>12,098</u>
Net cash provided by operating activities	219,400	327,403
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	-	(10,764)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on note payable	<u>(13,487)</u>	<u>(14,456)</u>
Net increase in cash	205,913	302,183
Cash, beginning of period	<u>542,528</u>	<u>240,345</u>
Cash, end of period	<u>\$ 748,441</u>	<u>\$ 542,528</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, 2014 AND 2013

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>	
				<u>2014</u>	<u>2013</u>
Salaries & benefits:					
Salaries	\$ 442,770	\$ 114,872	\$ -	\$ 557,642	\$ 499,333
Employee benefits	46,978	9,338	-	56,316	1,672
Payroll taxes	<u>2,168</u>	<u>1,700</u>	<u>-</u>	<u>3,868</u>	<u>47,949</u>
 Total salaries and benefits	 <u>491,916</u>	 <u>125,910</u>	 <u>-</u>	 <u>617,826</u>	 <u>548,954</u>
 Other expenses:					
Contract labor	450,928	-	104,129	555,057	430,870
Education	1,346	474	-	1,820	2,164
Clinical supplies	24,829	-	-	24,829	21,656
Software support	6,762	1,232	37	8,031	5,725
Laboratory costs	59,754	-	-	59,754	51,478
Property insurance	5,774	243	61	6,078	5,313
Utilities	10,717	451	113	11,281	10,216
Janitorial services	5,904	249	62	6,215	4,790
Interest	17,609	3,773	-	21,382	22,601
Professional fees	-	4,381	-	4,381	12,233
Malpractice insurance	11,608	-	-	11,608	15,324
Office supplies	20,119	3,039	1,034	24,192	22,883
Marketing & advertising	708	1,895	12,715	15,318	4,902
Telephone	5,497	231	58	5,786	4,971
Licenses & permits	-	130	-	130	110
Bank and merchant charges	9,240	350	694	10,284	10,612
Miscellaneous	<u>25,660</u>	<u>8,835</u>	<u>11,733</u>	<u>46,228</u>	<u>38,217</u>
 Total other expenses	 <u>656,455</u>	 <u>25,283</u>	 <u>130,636</u>	 <u>812,374</u>	 <u>664,065</u>
 Total expenses before depreciation	 1,148,371	 151,193	 130,636	 1,430,200	 1,213,019
 Depreciation	 <u>23,616</u>	 <u>994</u>	 <u>249</u>	 <u>24,859</u>	 <u>23,969</u>
 Total expenses	 <u>\$ 1,171,987</u>	 <u>\$ 152,187</u>	 <u>\$ 130,885</u>	 <u>\$ 1,455,059</u>	 <u>\$ 1,236,988</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, 2014 AND 2013

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

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GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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 2014 or 2013.

The Organization's Returns of Organizations Exempt from Income Tax (Form 990) for 2011, 2012 and 2013 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, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Office building	\$725,000	\$725,000
Medical equipment	26,089	26,089
Computer equipment	68,021	68,021
Office equipment	18,747	18,747
Furniture and fixtures	20,959	20,959
Leasehold improvements	<u>13,180</u>	<u>13,180</u>
	871,996	871,996
Less accumulated depreciation	<u>255,900</u>	<u>231,041</u>
	<u>\$616,096</u>	<u>\$640,955</u>

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

NOTE 3 - NOTE PAYABLE

The note payable is due to a financial institution. The note bears a variable interest rate of prime plus 1.5%, with a minimum rate of 5%. The note is payable in monthly installments of \$2,894 and matures in February 2033. The interest rate in effect during 2014 and 2013 was 5%. The interest rate is subject to change every five years. The next interest rate change will occur on February 5, 2018. The note is secured by an office building with a net book value of \$594,000. The balance of the note at December 31, 2014 and 2013 was \$411,607 and \$425,094, respectively.

Minimum aggregate annual principal payments as of December 31, 2014 are as follows:

2015	\$ 14,497
2016	15,238
2017	16,018
2018	16,837
2019	17,420
Thereafter	<u>331,597</u>
	<u>\$411,607</u>

NOTE 4 - SUPPLEMENTAL CASH FLOW INFORMATION

Interest paid for the years ended December 31, 2014 and 2013 totaled \$21,382 and \$22,601, respectively.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2014</u>	<u>2013</u>
Relocation/expansion	\$335,011	\$130,720
Patient scholarships	9,409	8,450
Prisoner program	7,885	4,390
Evenings and weekends	4,740	14,692
Contract provider fees	7,000	-
United Way - emergency care	25,000	-
Accreditation project	-	4,386
Nurse practitioner support	-	66,188
Pediatric program	-	9,845
	<u>\$389,045</u>	<u>\$238,671</u>

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

NOTE 6 - RELEASE OF ASSET RESTRICTIONS

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

	<u>2014</u>	<u>2013</u>
Prisoner program	\$ 1,505	\$ 3,035
Accreditation program	4,386	43,614
Nurse practitioner support	66,188	83,812
Pediatric program	12,095	155
Evenings and weekends	109,952	25,308
Relocation/expansion	127,564	6,780
Contract provided fees	18,000	-
Patient scholarships	19,041	-
Technology upgrades	-	7,880
Staff salaries	-	40,000
Patient payment assistance	-	9,158
	<u>\$358,731</u>	<u>\$219,742</u>

NOTE 7 - CONTRACT LABOR

Contract labor for 2014 and 2013 includes \$380,711 and \$366,739, respectively, of services donated by medical professionals. These services are recorded at their fair market value for the level of service provided.

NOTE 8 - CONCENTRATIONS

At December 31, 2014, the Organization had \$736,000 on deposit at a financial institution, which exceeds the FDIC insurance limit of \$250,000.

NOTE 9 - 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, 2013, from which the summarized information was derived.

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 27, 2015, which is the date the financial statements were available to be issued.