

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 and 2015**

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

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, 2016, and the related statements of activities, functional expenses, and cash flows 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, 2016, 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 2015 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 24, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2017, on our consideration of Good Samaritan Health Center of Gwinnett, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Good Samaritan Health Center of Gwinnett, Inc.'s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

May 31, 2017  
Duluth, Georgia

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 2,014,090	\$ 1,328,603
Property and equipment, net	2,977,640	1,698,269
Other assets	<u>170</u>	<u>170</u>
 TOTAL ASSETS	 <u>\$ 4,991,900</u>	 <u>\$ 3,027,042</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accrued salaries and other expenses	\$ 54,482	\$ 3,264
Note payable	<u>-</u>	<u>397,422</u>
 Total Liabilities	 <u>54,482</u>	 <u>400,686</u>

NET ASSETS:

Unrestricted	4,585,720	1,786,116
Temporarily restricted	351,698	840,240
Permanently restricted	<u>-</u>	<u>-</u>
	<u>4,937,418</u>	<u>2,626,356</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,991,900</u>	<u>\$ 3,027,042</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, 2016 AND 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>	
				<u>2016</u>	<u>2015</u>
<b><u>SUPPORT AND REVENUE</u></b>					
Support:					
Contributions	\$ 332,782	\$ 87,038	\$ -	\$ 419,820	\$ 484,688
Grants	1,035,982	1,878,030	-	2,914,012	1,862,677
Donated goods and services	447,891	-	-	447,891	415,604
Total support	<u>1,816,655</u>	<u>1,965,068</u>	<u>-</u>	<u>3,781,723</u>	<u>2,762,969</u>
Revenue:					
Medical services	692,976	-	-	692,976	640,541
Loss on sale of assets	(17,957)	-	-	(17,957)	-
Interest income	145	-	-	145	-
Rental income	4,385	-	-	4,385	395
Total revenue	<u>679,549</u>	<u>-</u>	<u>-</u>	<u>679,549</u>	<u>640,936</u>
Net assets released from restrictions	2,453,610	(2,453,610)	-	-	-
Total support and revenue	<u>4,949,814</u>	<u>(488,542)</u>	<u>-</u>	<u>4,461,272</u>	<u>3,403,905</u>
<b><u>EXPENSES</u></b>					
Program services	1,840,553	-	-	1,840,553	1,326,545
Management and general	278,354	-	-	278,354	198,012
Fundraising	31,303	-	-	31,303	185,398
Total expenses	<u>2,150,210</u>	<u>-</u>	<u>-</u>	<u>2,150,210</u>	<u>1,709,955</u>
Change in net assets	2,799,604	(488,542)	-	2,311,062	1,693,950
Net assets, beginning of year	<u>1,786,116</u>	<u>840,240</u>	<u>-</u>	<u>2,626,356</u>	<u>932,406</u>
Net assets, end of year	<u>\$ 4,585,720</u>	<u>\$ 351,698</u>	<u>\$ -</u>	<u>\$ 4,937,418</u>	<u>\$ 2,626,356</u>

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, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,311,062	\$ 1,693,950
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	73,207	24,859
Loss on sale of office building	17,957	-
Increase (decrease) in accrued expenses	<u>51,218</u>	<u>(17,430)</u>
Net cash provided by operating activities	<u>2,453,444</u>	<u>1,701,379</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,919,085)	(1,107,032)
Sale of office building, net of related costs	<u>548,550</u>	<u>-</u>
Net cash used by operating activities	<u>(1,370,535)</u>	<u>(1,107,032)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on note payable	<u>(397,422)</u>	<u>(14,185)</u>
Net increase in cash	685,487	580,162
Cash, beginning of period	<u>1,328,603</u>	<u>748,441</u>
Cash, end of period	<u>\$ 2,014,090</u>	<u>\$ 1,328,603</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, 2016 AND 2015**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>	
				<u>2016</u>	<u>2015</u>
Salaries & benefits:					
Salaries	\$ 644,078	\$ 175,407	\$ 6,089	\$ 825,574	\$ 629,646
Employee benefits	7,585	1,036	-	8,621	12,388
Payroll taxes	<u>61,617</u>	<u>4,344</u>	<u>471</u>	<u>66,432</u>	<u>51,287</u>
Total salaries and benefits	<u>713,280</u>	<u>180,787</u>	<u>6,560</u>	<u>900,627</u>	<u>693,321</u>
Other expenses:					
Contract labor	532,920	-	-	532,920	653,652
Education	-	2,585	-	2,585	2,863
Clinical supplies	84,105	-	-	84,105	26,213
Software support	102,774	5,409	-	108,183	24,002
Laboratory costs	69,791	-	-	69,791	69,704
Property insurance	8,187	345	86	8,618	6,973
Repairs & maintenance	50,779	2,138	535	53,452	8,351
Utilities	23,838	1,004	251	25,093	11,874
Janitorial services	7,378	311	77	7,766	7,840
Interest	14,237	600	150	14,987	20,539
Professional fees	18,750	52,293	12,250	83,293	25,287
Malpractice insurance	23,001	-	-	23,001	11,672
Office supplies	37,617	154	-	37,771	24,733
Marketing & advertising	-	25,670	5,883	31,553	27,288
Telephone	7,082	301	75	7,458	7,530
Licenses & permits	-	195	-	195	110
Bank and merchant charges	6,825	529	628	7,982	7,760
Miscellaneous	<u>70,442</u>	<u>3,105</u>	<u>4,076</u>	<u>77,623</u>	<u>55,384</u>
Total other expenses	<u>1,057,726</u>	<u>94,639</u>	<u>24,011</u>	<u>1,176,376</u>	<u>991,775</u>
Total expenses before depreciation	1,771,006	275,426	30,571	2,077,003	1,685,096
Depreciation	<u>69,547</u>	<u>2,928</u>	<u>732</u>	<u>73,207</u>	<u>24,859</u>
Total expenses	<u>\$ 1,840,553</u>	<u>\$ 278,354</u>	<u>\$ 31,303</u>	<u>\$ 2,150,210</u>	<u>\$ 1,709,955</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, 2016 AND 2015

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

-CONTINUED-

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

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. During 2016, the Organization received rental income of \$4,385 which is subject to unrelated business income tax.

The Organization's Returns of Organizations Exempt from Income Tax (Form 990) for 2013, 2014 and 2015 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, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Building and land	\$2,726,895	\$1,107,033
Office building	-	725,000
Medical equipment	22,402	26,089
Dental equipment	265,667	-
Computer equipment	50,266	68,021
Office equipment	7,194	18,747
Furniture and fixtures	22,334	20,959
Leasehold improvements	-	13,180
	<u>3,094,758</u>	<u>1,979,029</u>
Less accumulated depreciation	<u>117,118</u>	<u>280,760</u>
	<u>\$2,977,640</u>	<u>\$1,698,269</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND 2015**

**NOTE 3 - GRANTS**

In 2015 the Organization received two Community Development Block Grants ("CDBG") through Gwinnett County for the purpose of purchasing a building and land for relocation of the Organization's facilities. The grants totaled \$1,665,603. During 2015 the Organization purchased a building at a cost of \$1,060,427. In 2016 the Organization received an additional CDBG in the amount of \$743,720. This grant, along with the remaining grant funds from 2015, were used to prepare the building for occupancy. Expenditures were reimbursed by the County as expended. All grant funds were expended by September 30, 2016 in accordance with the grant agreement. The Organization began providing services in their new location in July, 2016.

**NOTE 4 - 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 2016 and 2015 was 5%. The interest rate is subject to change every five years. The note is secured by an office building with a net book value of \$575,000. The balance of the note at December 31, 2016 and 2015 was \$0 and \$337,492, respectively. The loan was paid off at the time of the sale of the property (see Note 6).

**NOTE 5 - SUPPLEMENTAL CASH FLOW INFORMATION**

Interest paid for the years ended December 31, 2016 and 2015 totaled \$15,898 and \$20,539, respectively.

**NOTE 6 - SALE OF OFFICE BUILDING**

In September, 2016, the organization sold its previous office building for \$575,000, less selling costs of \$26,450. The mortgage was paid off at this time and a loss on the sale of the building of \$17,957 was realized.

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2016</u>	<u>2015</u>
Relocation/expansion	\$342,220	\$787,293
Dental clinic	4,958	-
Diabetes care	-	50,000
Prisoner program	<u>4,520</u>	<u>2,947</u>
	<u>\$351,698</u>	<u>\$840,240</u>

NOTE 8 - RELEASE OF ASSET RESTRICTIONS

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

	<u>2016</u>	<u>2015</u>
Prisoner program	\$ 8,365	\$ 4,938
Evenings and weekends	-	4,740
Relocation/expansion	2,327,288	1,411,833
Contract provided fees	-	7,000
Dental clinic	40,157	-
Patient scholarships	2,800	-
Diabetes care	50,000	-
United Way - emergency care	<u>25,000</u>	<u>25,000</u>
	<u>\$2,453,610</u>	<u>\$1,453,511</u>

NOTE 9 - CONTRACT LABOR

Contract labor for 2016 and 2015 includes \$447,891 and \$415,604, respectively, of services donated by medical professionals. These services are recorded at their fair market value for the level of service provided.

NOTE 10 - CONCENTRATIONS

At December 31, 2016, the Organization had \$1,267,777 on deposit at a financial institution, which exceeds the FDIC insurance limit of \$250,000. Management believes the risk associated with the concentration is minimal.

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

NOTE 11 - 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, 2015, from which the summarized information was derived.

NOTE 12 - CONTINGENCIES

According to the terms of the grants received (see Note 3), the Organization must maintain ownership of the property for twenty years and continue to use the property for its intended and approved purpose. If these criteria are not met, the Organization would be required to repay a portion of the grants, at a zero percent interest rate, as determined by the grant agreements.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 31, 2017, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Federal Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants	14.218	G-0255-000001-2171	\$ 1,348,896	\$ -

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the Organization's financial statements. The Organization uses the accrual basis of accounting.

GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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**Section I. Summary of Auditor's Results**

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Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                    \_\_\_yes            X no
- Significant Deficiency(s) identified that are  
not considered to be material weaknesses?            \_\_\_yes            X none reported

Noncompliance material to financial  
statements noted

\_\_\_yes            X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?                    \_\_\_yes            X no
- Significant Deficiency(s) identified that are  
not considered to be material weaknesses?            \_\_\_yes            X none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified.

Any audit findings disclosed that are  
required to be reported in accordance  
with Section 510(a) of Circular A-133

\_\_\_yes            X no

Identification of major federal programs:

CFDA No.	Names of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants



GOOD SAMARITAN HEALTH CENTER OF GWINNETT, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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Dollar threshold used to distinguish  
between Type A and Type B Programs                   \$ 750,000

Auditee qualified as low-risk auditee?                      yes             X  no

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**Section II.   Financial Statement Findings**

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None reported.

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**Section III.   Federal Awards Findings and Questioned Costs**

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None reported.

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**Section IV.   Follow up on the Status of Prior Year Findings and Questioned Costs**

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Not applicable as there were no findings or questioned costs in the previous year.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of Good Samaritan Health Center of Gwinnett, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 31, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Good Samaritan Health Center of Gwinnett, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Good Samaritan Health Center of Gwinnett, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Good Samaritan Health Center of Gwinnett, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

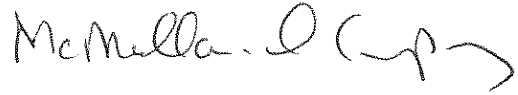
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Good Samaritan Health Center of Gwinnett, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

May 31, 2017  
Duluth, Georgia

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited Good Samaritan Health Center of Gwinnett, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Good Samaritan Health Center of Gwinnett, Inc.'s major federal programs for the year ended December 31, 2016. Good Samaritan Health Center of Gwinnett, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Good Samaritan Health Center of Gwinnett, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Good Samaritan Health Center of Gwinnett, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Good Samaritan Health Center of Gwinnett, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, Good Samaritan Health Center of Gwinnett, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

## Report on Internal Control over Compliance

Management of Good Samaritan Health Center of Gwinnett, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Good Samaritan Health Center of Gwinnett, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Good Samaritan Health Center of Gwinnett, Inc.'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

May 31, 2017  
Duluth, Georgia