

Good Samaritan

Health Center *of Cobb*



Financial Statements

December 31, 2010 and 2009

Post & Associates
CPA'S

Good Samaritan 
Health Center *of Cobb*

Financial Statements

December 31, 2010 and 2009

Post & Associates, LLC
Certified Public Accountants
Marietta, Georgia

2010 Good Samaritan Health Center of Cobb, Inc.

Leadership

Larry Hornsby, M.D., Medical Director
Steve Hansard, D.D.M., M.H.E, Dental Director
Kacie McDonnell, MPA, Operations Director
Ashley Garrison, Development Director
Gayle Nelson, Finance Director

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CPA's**

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Daniel L. Post, Jr., CPA
Bret A. Tyler, CPA
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James C. Castle, CPA
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ESTABLISHED 1968

To the Board of Directors
Good Samaritan Health Center of Cobb, Inc.
1605 Roberta Drive
Marietta, GA 30008

We have audited the accompanying Statements of Financial Position of Good Samaritan Health Center of Cobb, Inc. (a 501(c)(3) nonprofit organization) as of December 31, 2010 and 2009, and the related Statements of Activities, Cash Flows, and Functional Expenses for the years then ended. These financial statements are the responsibility of Good Samaritan Health Center of Cobb, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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 Cobb, Inc. as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Post & Associates, LLC
June 17, 2011

Post & Associates, LLC - Certified Public Accountants

3475 Dallas Highway, Suite 125 • Marietta, Georgia 30064 • Office: (678) 290-5100 • Fax: (678) 290-3307

1130 Senoia Road, Suite 3-B • Tyrone, Georgia 30290 • Office: (770) 774-1872 • Fax: (770) 774-1873

postcpas.com

Good Samaritan Health Center of Cobb, Inc.

Statement of Financial Position

December 31, 2010 and 2009

	2010	2009
Assets		
Current Assets		
Cash	\$ 588,699	\$ 455,006
Pledges Receivable	2,750	2,900
Prepaid Insurance	9,006	7,410
Inventory	13,527	13,627
Total Current Assets	<u>613,982</u>	<u>478,943</u>
Property and Equipment		
Land	208,447	208,447
Land Improvements	194,148	194,148
Building	677,481	677,481
Furniture and Fixtures	35,152	34,222
Equipment	512,850	506,389
Accumulated Depreciation	<u>(388,589)</u>	<u>(305,779)</u>
Total Property and Equipment	<u>1,239,489</u>	<u>1,314,908</u>
Other Assets		
Organizational Costs	540	540
Accumulated Amortization	<u>(540)</u>	<u>(540)</u>
Total Other Assets	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,853,471</u>	<u>\$ 1,793,851</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 28,213	\$ 15,894
Total Current Liabilities	<u>28,213</u>	<u>15,894</u>
Net Assets		
Unrestricted	<u>1,825,258</u>	<u>1,777,957</u>
Total Net Assets	<u>1,825,258</u>	<u>1,777,957</u>
Total Liabilities & Net Assets	<u>\$ 1,853,471</u>	<u>\$ 1,793,851</u>

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

Good Samaritan Health Center of Cobb, Inc.

Statement of Activities

For The Years Ended December 31, 2010 and 2009

	2010	2009
Unrestricted Net Assets		
Unrestricted Revenues and Gains:		
Donated Services	\$ 5,793,582	\$ 3,789,160
Donated Medication	1,281,341	1,613,564
General Unrestricted Support	732,113	459,843
Dental Program Revenues	181,608	173,349
Dispensary Program Revenues	75,032	73,057
Medical Program Revenues	215,785	166,768
Interest & Investment Income	6,227	13,244
Special Events	30,654	38,353
Miscellaneous Income	5,315	6,708
Credit Card Discount Fees	(5,387)	(3,970)
Total Unrestricted Revenues and Gains	8,316,270	6,330,076
Net Assets Released from Restrictions		
Restrictions Satisfied by Payments	-	380,729
Total Unrestricted Support and Revenue	8,316,270	6,710,805
Program Costs		
Donated Services	5,793,582	3,789,160
Donated Medication	1,281,341	1,613,564
Salaries and Wages	633,231	706,692
Dental Supplies	47,132	55,371
Employee Benefits	43,542	67,537
Dispensary Costs	66,527	49,740
Dues and Subscriptions	4,078	5,241
Depreciation	55,433	61,434
Payroll Taxes	49,518	55,731
Medical Lab Costs	24,015	33,464
Medical Supplies	21,888	25,321
Office Supplies	19,003	16,073
Insurance	14,238	13,932
Janitorial and Waste Disposal Services	15,652	14,989
Telephone	9,671	9,531
Licenses	-	10,000
Miscellaneous Program Costs	-	2,220
Software Maintenance	3,830	3,886
Training and Education	6,428	2,899
Total Program Costs	\$ 8,089,109	\$ 6,536,785

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

Good Samaritan Health Center of Cobb, Inc.

Statement of Activities

For The Years Ended December 31, 2010 and 2009

	2010	2009
Supporting Services		
Management and General:		
Depreciation	\$ 27,377	\$ 29,096
Marketing Fees	16,171	18,172
Utilities	19,811	17,402
Repair and Maintenance	6,401	6,379
Accounting Fees	9,000	9,000
Salaries and Wages	45,338	50,817
Miscellaneous Expenses	13,157	4,677
Insurance	8,660	12,628
Meetings and Conferences	2,889	2,839
Payroll Fees	3,600	3,212
Payroll Taxes	3,551	4,262
Employee Benefits	3,541	5,118
Bank Charges	501	297
Total Management and General	159,997	163,899
Fundraising:		
Salaries and Wages	-	41,606
Employee Benefits	-	3,093
Professional Fundraising Fees	6,149	6,206
Special Events	13,714	13,526
Payroll Taxes	-	3,358
Total Fundraising	19,863	67,789
Total Supporting Services	179,860	231,688
Total Program and Supporting Services Costs	8,268,969	6,768,473
Increase (Decrease) in Unrestricted Net Assets	47,301	(57,668)
Temporarily Restricted Net Assets		
Temporarily Restricted Revenues and Gains		
Restrictions Satisfied by Payments	-	(380,729)
Increase (Decrease) in Temporarily Restricted Net Assets	-	(380,729)
Increase (Decrease) in Net Assets	47,301	(438,397)
Net Assets Beginning of the Year	1,777,957	2,216,354
Net Assets End of the Year	\$ 1,825,258	\$ 1,777,957

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

Good Samaritan Health Center of Cobb, Inc.

Statement of Cash Flows

For the Years Ended December 31, 2010 and 2009

	2010	2009
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 47,301	\$ (438,397)
Noncash Items Included In Net Income:		
Depreciation	82,810	90,530
Adjustments to reconcile change in net assets to net cash used in operating activities:		
(Increase) Decrease in Pledges Receivable	150	1,000
(Increase) Decrease in Inventory	100	(6,087)
(Increase) Decrease in Prepaid Insurance	(1,596)	(138)
Increase (Decrease) in Accounts Payable	12,319	(8,585)
Net Cash Provided by (Used in) Operating Activities	<u>141,084</u>	<u>(361,677)</u>
Cash Flows From Investing Activities:		
Capital Asset Purchases	<u>(7,391)</u>	<u>(4,479)</u>
Net Cash (Used In) Investing Activities	<u>(7,391)</u>	<u>(4,479)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>133,693</u>	<u>(366,156)</u>
Cash and Cash Equivalents at Beginning of Year	<u>455,006</u>	<u>821,162</u>
Cash and Cash Equivalents at End of Year	<u>\$ 588,699</u>	<u>\$ 455,006</u>
Non-Cash Transactions:		
Donated Services	5,793,582	3,789,160
Donated Medication	1,281,341	1,684,130

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

Good Samaritan Health Center of Cobb, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2010

	Program		Support Services		Total			
	Service	Health Service	Management and General	Fundraising		Expenses		
Donated Services	\$	5,793,582	\$	-	\$	5,793,582		
Donated Medication		1,281,341		-		1,281,341		
Salaries and Wages		633,231		45,338		678,569		
Depreciation and Amortization		55,433		27,377		82,810		
Employee Benefits		43,542		3,541		47,083		
Dental Supplies		47,132		-		47,132		
Dispensary Costs		66,527		-		66,527		
Dues and Subscriptions		4,078		-		4,078		
Payroll Taxes		49,518		3,551		53,069		
Medical Lab Costs		24,015		-		24,015		
Medical Supplies		21,888		-		21,888		
Insurance		14,238		8,660		22,898		
Marketing		-		16,171		16,171		
Utilities		-		19,810		19,810		
Office Supplies		19,003		-		19,003		
Miscellaneous Expenses		2,427		13,158		15,585		
Janitorial and Waste Disposal Services		15,652		-		15,652		
Telephone		9,671		-		9,671		
Repair and Maintenance		-		6,401		6,401		
Professional Fundraising Fee		-		-	6,149	6,149		
Accounting		-		9,000		9,000		
Meetings and Conferences		-		2,889		2,889		
Software Maintenance		3,830		-		3,830		
Training and Education		4,001		-		4,001		
Special Events		-		-	13,714	13,714		
Payroll Processing Fees		-		3,600		3,600		
Bank Charges		-		501		501		
	\$	<u>8,089,109</u>	\$	<u>159,997</u>	\$	<u>19,863</u>	\$	<u>8,268,969</u>

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

GOOD SAMARITAN HEALTH CENTER OF COBB, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Good Samaritan Health Center of Cobb, Inc. (the "Organization") was established in December 2002, for the purpose of opening and operating a health care clinic for people in need in Cobb County, Georgia. The initial capital for the establishment of the Organization was provided by Parents with a Purpose, an unaffiliated organization, in July, 2003. The mission statement of the organization is "to spread the love of Christ by providing quality healthcare to those in need." The Organization opened its doors to serve those in need in May of 2006. It receives revenue for medical and dental services as well as from the sales of medicine, all at a discount to those who have demonstrated the need. The Organization also receives support in the form of donations from foundations, churches and ministries, businesses, civic associations, and individuals. It has also received grants from various foundations, other organizations, Cobb County, and the Federal Government.

Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, the financial statements reflect all significant receivables, payables, and other liabilities of the Organization.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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.

Property and Equipment

Acquisitions of property and equipment in excess of \$250 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

GOOD SAMARITAN HEALTH CENTER OF COBB, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Services and Medication

The Organization receives a substantial amount of donated services in carrying out its mission. Amounts meeting the criteria for recognition have been recognized in the financial statements. The donated services and medications were recorded at the estimated fair market value at the time of the donation and recorded as an expenditure for the same amount according to the category to which it applies.

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made no provision for federal income taxes in the accompanying financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts at December 31, 2010 and cash held in checking, certificates of deposit, and money market accounts at December 31, 2009. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Accounts Receivable

The Organization has patient receivables of approximately \$200,000 which have been fully reserved because they have been determined to be uncollectible. The Organization formulated a policy implemented in 2008 which has brought more accountability to the financial obligations of the patients.

NOTE 2 - CASH

The total cash and cash equivalents held by the banks for the Organization at December 31, 2010 was \$500,590, all of which is insured by the Federal Deposit Insurance Corporation provided by the federal government.

GOOD SAMARITAN HEALTH CENTER OF COBB, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 3 – Property and Equipment

Property and Equipment at December 31, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
Land	\$208,447	\$208,447
Land Improvements	194,148	194,148
Building	677,481	677,481
Furniture and Fixtures	35,152	34,222
Equipment	512,850	506,389
Accumulated Depreciation	<u>(388,589)</u>	<u>(305,779)</u>
Total Property and Equipment	<u>\$1,239,489</u>	<u>\$1,314,908</u>

NOTE 4 - AMORTIZATION AND DEPRECIATION

The Organization depreciates long-lived tangible assets which have been capitalized. The personal property has useful lives ranging from 3 to 10 years and the real property has a useful life of 30 years.

NOTE 5 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 6 - RELATED PARTY TRANSACTIONS

Various members of the Organization's Board of Directors contribute cash periodically throughout the year. The cash contributed during 2010 and 2009 by Board members was \$149,332 and \$145,255 respectively. Total future promises to give made by Board members total \$2,750.

NOTE 7 - USE OF MARK AND MODEL

The Organization had entered into a licensing agreement with Good Samaritan Health Center, Inc., a Georgia non-profit corporation (Grantor), by which the Organization has been granted a non-transferable, non-exclusive and limited right to use the Good Samaritan Mark and Model subject to the requirements of the Grantor. The Grantor and the Organization are independent entities. The licensing fee paid in 2009 was \$10,000. In 2010 and moving forward the licensing fee is no longer applicable.

GOOD SAMARITAN HEALTH CENTER OF COBB, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE 8 – SUBSEQUENT EVENTS

In May 2009, the FASB issued FAS 165, Subsequent Events, to provide authoritative accounting guidance on management's assessment of subsequent events. FAS 165 incorporates existing U.S. auditing literature and clarifies that management is responsible for evaluating, as of each reporting period, events or transactions that occur after the balance sheet date through the date that the financial statements are issued or are available to be issued. FAS 165 is effective for the Organization as of January 1, 2010. The adoption of FAS 165 did not have a significant impact on the Organization's financial statements. The Organization evaluated its December 31, 2010 financial statements for subsequent events through June 17, 2011, the date which the financial statements were available to be issued. The Organization is not aware of any subsequent events that would require recognition or disclosure in the financial statements. FAS 165 was subsequently incorporated into FASB ASC Topic 855.