



Consolidated Financial Statements

December 31, 2013 and 2012



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Post & Associates, LLC
Certified Public Accountants
Marietta, Georgia

Good Samaritan Health Center of Cobb

2013 Leadership

Larry Hornsby, MD Medical Director/CEO
Steve Hansard, DMD, MHE Dental Director
Kacie McDonnell, Chief Operating Officer
Ashley Garrison, Development Director
Gayle Nelson, Finance Director

2013 Board of Directors

David Bottoms, Chairman
Mike Kinney, D.M.D. Board Affairs
Steve LaMontagne, C.P.A., Treasurer
Lynda Ausburn, Fundraising
Quinton Nichols, Spiritual Health
Cyril Kitchens, Operations (Upcoming 2014 Board Chair)
Reverend Grant Cole
Congressman Phil Gingrey, M. D.
Scott Kimbrough
Alan B. Kirk, PhD
Susan Pearson
Hicks Poor
Terry Poor, Ed.D.
Penny Morrison-Ross
John Sheerer R.RH
Rico Short, D.M.D.
Barry Teague
Michael Vick, M.D.
Pastor Amos Williams
Pete Wyman, M.D.

Advisory Council

Governor Roy Barnes
Randall Bentley, Sr.
Gary Bottoms
Regi Campbell
Hylton Dupree
GB Espy, M.D.
Ken H. Farrar, D.M.D.
Allen Hoffman, M.D.
Greg Moss
William Sigman
Ben Smith
Robert Smith, DDS
Kessell Stelling
Dan Stephens, M.D.
Andy Tatnall
Mario Lizaso

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Good Samaritan Health Center of Cobb, Inc.

We have audited the accompanying consolidated financial statements of Good Samaritan Health Center of Cobb, Inc. (a nonprofit organization), and QT713 Surplus, LLC which comprise the statement of financial position as of December 31, 2013 and 2012 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. 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 Cobb, Inc., and QT713 Surplus, LLC as of December 31, 2013, and 2012 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.



Post & Associates LLC
August 13, 2014

Post & Associates, LLC - Certified Public Accountants

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Good Samaritan Health Center of Cobb, Inc.

Consolidated Statement of Financial Position

December 31, 2013 and 2012

	2013	2012
Assets		
Current Assets		
Cash	\$ 639,881	\$ 661,731
Pledges Receivable	-	2,250
Prepaid Insurance	13,526	8,972
Inventory	21,688	12,583
Total Current Assets	675,095	685,536
Property and Equipment		
Land	349,440	208,447
Land Improvements	194,148	194,148
Buildings	854,880	677,481
Building Improvements	49,864	49,864
Furniture and Fixtures	38,377	38,378
Equipment	545,233	531,487
Accumulated Depreciation	(619,806)	(542,935)
Total Property and Equipment	1,412,136	1,156,870
Other Assets		
Earnest Money	-	5,000
Software	9,693	9,693
Organizational Costs	540	540
Accumulated Amortization	(7,541)	(4,310)
Total Other Assets	2,692	10,923
Total Assets	\$ 2,089,923	\$ 1,853,329
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 2,111	\$ 6,715
Total Current Liabilities	2,111	6,715
Net Assets		
Restricted	81,038	105,000
Unrestricted	2,006,774	1,741,614
Total Net Assets	2,087,812	1,846,614
Total Liabilities & Net Assets	\$ 2,089,923	\$ 1,853,329

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

Good Samaritan Health Center of Cobb, Inc.

Consolidated Statement of Activities

For The Years Ended December 31, 2013 and 2012

	2013	2012
Unrestricted Net Assets		
Unrestricted Support and Revenues:		
Donated Services	\$ 9,447,987	\$ 5,630,192
Donated Medication	3,134,967	3,084,467
General Unrestricted Support	834,648	664,648
Dental Program Revenues	186,730	187,699
Dispensary Program Revenues	130,318	111,447
Medical Program Revenues	363,606	322,173
Interest & Investment Income	962	1,253
Special Events	77,821	76,098
Miscellaneous Income	11,267	2,485
Credit Card Discount Fees	-	(9,191)
Total Support and Revenues	14,188,306	10,071,271
Reclassifications:		
Net Assets Released from Restrictions	318,392	-
Total Unrestricted Support and Revenues:	14,506,698	10,071,271
Program Costs		
Donated Services	9,447,987	5,630,192
Donated Medication	3,134,967	3,084,467
Salaries and Wages	829,299	780,179
Dispensary Costs	93,335	84,546
Depreciation and Amortization	49,586	44,075
Payroll Taxes	61,977	53,478
Dental Supplies	80,231	67,565
Employee Benefits	75,493	63,451
Medical Lab Costs	27,283	27,925
Miscellaneous Expenses	2,961	
Medical Supplies	38,055	36,603
Office Supplies	23,962	29,603
Janitorial and Waste Disposal Services	4,387	3,977
Insurance	19,654	12,812
Telephone	14,089	13,433
Training and Education	9,715	3,911
Dues and Subscriptions	5,125	4,310
Software Maintenance	41,639	15,425
Bad Debts	2,250	-
Bank Charges	11,528	-
Total Program Costs	13,973,523	9,955,952
Supporting Services		
Management and General:		
Depreciation and Amortization	30,516	28,221
Utilities	21,478	21,090
Marketing Fees	13,510	29,427
Miscellaneous Expenses	19,737	26,228
Accounting Fees	10,000	10,000
Insurance	11,488	10,134
Repair and Maintenance	47,279	42,370
Payroll Fees	4,230	4,167
Meetings and Conferences	5,066	3,037
Bank Charges	1,124	1,471
Total Management and General	164,428	176,145

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

Good Samaritan Health Center of Cobb, Inc.

Consolidated Statement of Activities

For The Years Ended December 31, 2013 and 2012

	2013	2012
Fundraising:		
Salaries and Wages	\$ 54,075	\$ 53,000
Special Events	32,669	16,459
Professional Fundraising Fees	6,342	6,065
Payroll Taxes	4,033	3,948
Employee Benefits	6,468	5,300
Total Fundraising	103,587	100,523
Total Supporting Services	268,015	260,917
Total Program and Supporting Services Costs	14,241,538	10,216,869
Increase (Decrease) in Unrestricted Net Assets	265,160	(145,598)
Temporarily Restricted Net Assets		
Temporarily Restricted Revenues and Gains		
Restrictions Imposed by Donors	294,430	105,000
Restrictions Satisfied by Payments	(318,392)	-
Increase (Decrease) in Temporarily Restricted Net Assets	(23,962)	105,000
Increase (Decrease) in Net Assets	241,198	(40,598)
Net Assets Beginning of the Year	1,846,614	1,887,212
Net Assets End of the Year	\$ 2,087,812	\$ 1,846,614

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

Good Samaritan Health Center of Cobb, Inc.

Consolidated Statement of Functional Expenses

For the Years Ended December 31, 2013 and 2012

	Program			Total Expenses	
	Service	Support Services		2013	2012
	Health Service	Management and General	Fundraising		
Donated Services	\$ 9,447,987	\$ -	\$ -	\$ 9,447,987	\$ 5,630,192
Donated Medication	3,134,967	-	-	3,134,967	3,084,467
Salaries and Wages	829,299	-	54,075	883,374	833,179
Dispensary Costs	93,335	-	-	93,335	84,546
Depreciation and Amortization	49,586	30,516	-	80,102	72,296
Employee Benefits	75,493	-	6,468	81,961	68,751
Dental Supplies	80,231	-	-	80,231	67,565
Payroll Taxes	61,977	-	4,033	66,010	57,426
Repair and Maintenance	-	47,279	-	47,279	42,370
Medical Supplies	38,055	-	-	38,055	36,603
Office Supplies	23,962	-	-	23,962	29,603
Marketing	-	13,510	-	13,510	29,427
Medical Lab Costs	27,283	-	-	27,283	27,925
Miscellaneous Expenses	2,961	19,737	-	22,698	26,228
Insurance	19,654	11,488	-	31,142	22,946
Utilities	-	21,478	-	21,478	21,090
Special Events	-	-	32,669	32,669	16,459
Software Maintenance	41,639	-	-	41,639	15,425
Telephone	14,089	-	-	14,089	13,433
Accounting	-	10,000	-	10,000	10,000
Professional Fundraising Fee	-	-	6,342	6,342	6,065
Dues and Subscriptions	5,125	-	-	5,125	4,310
Payroll Processing Fees	-	4,230	-	4,230	4,167
Janitorial and Waste Disposal Services	4,387	-	-	4,387	3,977
Training and Education	9,715	-	-	9,715	3,911
Meetings and Conferences	-	5,066	-	5,066	3,037
Bad Debts	2,250	-	-	2,250	-
Bank Charges	11,528	1,124	-	12,652	1,471
	<u>\$ 13,973,523</u>	<u>\$ 164,428</u>	<u>\$ 103,587</u>	<u>\$ 14,241,538</u>	<u>\$ 10,216,869</u>

Good Samaritan Health Center of Cobb, Inc.

Consolidated Statement of Cash Flows

For the Years Ended December 31, 2013 and 2012

	2013	2012
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 241,198	\$ (40,598)
Non-cash Items Included In Increase in Net Assets		
Depreciation and Amortization	80,102	72,296
Adjustments to reconcile change in net assets to net cash used in operating activities:		
(Increase) Decrease in Pledges Receivable	2,250	150
(Increase) Decrease in Inventory	(9,105)	4,869
(Increase) Decrease in Prepaid Insurance	(4,554)	34
Increase (Decrease) in Accounts Payable	(4,604)	2,653
	<u>305,287</u>	<u>39,404</u>
Net Cash Provided by (Used in) Operating Activities		
Cash Flows From Investing Activities:		
Capital Asset Purchases	(327,137)	(65,172)
Earnest Money Paid	-	(5,000)
	<u>(327,137)</u>	<u>(70,172)</u>
Net Cash (Used In) Investing Activities		
Net Increase (Decrease) In Cash and Cash Equivalents	<u>(21,850)</u>	<u>(30,768)</u>
Cash and Cash Equivalents at Beginning of Year	<u>661,731</u>	<u>692,499</u>
Cash and Cash Equivalents at End of Year	<u>\$ 639,881</u>	<u>\$ 661,731</u>
Non-Cash Transactions:		
Donated Services	9,447,987	5,793,582
Donated Medication	3,134,967	1,281,341
Pledges Receivable written-off as uncollectible	2,250	-

GOOD SAMARITAN HEALTH CENTER OF COBB, INC.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

December 31, 2013

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. Currently the Organization has only unrestricted and temporarily restricted assets. Unrestricted net assets are not subject to donor restrictions. Temporarily restricted net assets are subject to donor-imposed stipulations that will be met by actions of the Organization.

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.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

December 31, 2013

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, 2013 and 2012. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Accounts Receivable

As stated earlier, Good Samaritan Health Center of Cobb, Inc. exists to share the love of Christ by providing quality healthcare to those in need. It serves people in the community who are homeless, disabled, hurting, children, families, those working and those not working, all whose family income is 200% and below the federal poverty level. The Center's goal is to provide accessible, affordable, quality care which is made possible through the incredible generosity of our volunteers and supporters from the community. With this in mind, the patients pay toward their care based on a sliding scale according to their income and family size. At times this means patients carry a balance to receive necessary treatment at the time they are need. These patient receivables are fully reserved because their collectability is doubtful.

NOTE 2 - CASH

The total cash and cash equivalents held by the banks for the Organization at December 31, 2013 was \$639,432 of which \$524,859 was insured by the Federal Deposit Insurance Corporation provided by the federal government.

GOOD SAMARITAN HEALTH CENTER OF COBB, INC.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 3 – Property and Equipment

Property and Equipment at December 31, 2013 and 2012 consisted of the following:

	2013	2012
Land	\$ 349,440	\$ 208,447
Land Improvements	194,148	194,148
Building	854,880	677,481
Building Improvements	49,864	49,864
Furniture and Fixtures	38,377	38,378
Equipment	545,233	531,487
Accumulated Depreciation	(619,806)	(542,935)
Total Property and Equipment	<u>\$ 1,412,136</u>	<u>\$ 1,156,870</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 and employees contribute cash periodically throughout the year. The cash contributed during 2013 and 2012 by Board members was \$232,500 and \$38,845 respectively.

NOTE 7 – WHOLLY OWNED SUBSIDIARY

During the year the Organization formed and acquired QT713 Surplus, LLC, and single member tax exempt LLC for the purpose of purchasing and holding a parcel of real estate which will serve as an administrative building and parking area. It is anticipated that QT713 Surplus, LLC will conduct no business other than to own the administrative building. All of the intercompany transactions have been eliminated and the financial statements of the Organization reflect the consolidated position and activity of the entities.

GOOD SAMARITAN HEALTH CENTER OF COBB, INC.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 8 – SUBSEQUENT EVENTS

The Organization evaluated its December 31, 2013 financial statements for subsequent events through August 13, 2014, 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