

THE GOOD SAMARITAN HEALTH CENTER, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

THE GOOD SAMARITAN HEALTH CENTER, INC.

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BLAD & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Good Samaritan Health Center, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of The Good Samaritan Health Center, Inc. which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years 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 audits. 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 audits 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, Inc. as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Blad & Associates, P.C.

Dunwoody, Georgia
September 5, 2019

THE GOOD SAMARITAN HEALTH CENTER, INC.
Statements of Financial Position

ASSETS	As of December 31,	
	2018	2017
CURRENT ASSETS:		
Cash and cash equivalents	\$ 849,428	\$ 540,895
Investments (Note 1)	4,433,524	5,117,196
Promises to give, current portion (Note 3)	346,296	211,127
Contributions receivable	53,867	27,386
Prepaid expenses	-	4,675
Inventory	15,106	11,655
Total Current Assets	5,698,221	5,912,934
ASSETS RESTRICTED FOR CAPITAL CAMPAIGN:		
Cash	956,866	834,221
Contributions receivable	331,000	648,000
LONG-TERM PROMISES TO GIVE (Note 3)	91,478	35,079
PROPERTY AND EQUIPMENT- NET (Note 2)	5,470,402	5,529,669
OTHER ASSETS	2,722	2,722
TOTAL ASSETS	\$ 12,550,689	\$ 12,962,625
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 162,195	\$ 237,936
Deferred revenue	-	40,000
Total Current Liabilities	162,195	277,936
NET ASSETS:		
Without donor restrictions:		
Unrestricted - unrestricted	5,684,734	5,431,481
Unrestricted - board designated endowment (Note 4)	4,540,558	5,209,017
	10,225,292	10,640,498
With donor restrictions (Note 5):		
Purpose restrictions	2,107,134	1,965,412
Time restrictions	56,068	78,779
	2,163,202	2,044,191
Total Net Assets	12,388,494	12,684,689
TOTAL LIABILITIES AND NET ASSETS	\$ 12,550,689	\$ 12,962,625

See accompanying summary of accounting policies and notes to financial statements.

THE GOOD SAMARITAN HEALTH CENTER, INC.
Statement of Activities
For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
SUPPORT AND REVENUE:			
Contributions and grants	\$ 1,957,675	\$ 1,142,651	\$ 3,100,326
Patient service revenue	853,460	-	853,460
Fundraising, net of costs of direct benefits to donors of \$48,771	101,818	-	101,818
Interest and dividend income	87,057	-	87,057
Unrealized gain (loss) on investments	(569,811)	-	(569,811)
Realized gain (loss) on investments	122,873	-	122,873
Miscellaneous income	-	-	-
Contributed goods and services	708,106	-	708,106
Total Support and Revenue before Transfers	3,261,178	1,142,651	4,403,829
Net Assets Released from Restrictions due to Satisfaction of Donor-imposed Requirements	1,023,640	(1,023,640)	-
Total Support and Revenue	4,284,818	119,011	4,403,829
EXPENSES:			
Program	4,287,168	-	4,287,168
Management and general	247,245	-	247,245
Fundraising	165,611	-	165,611
Total Expenses	4,700,024	-	4,700,024
NET CHANGES IN NET ASSETS	(415,206)	119,011	(296,195)
NET ASSETS:			
Beginning of year	10,640,498	2,044,191	12,684,689
End of year	\$ 10,225,292	\$ 2,163,202	\$ 12,388,494

See accompanying summary of accounting policies and notes to financial statements.

THE GOOD SAMARITAN HEALTH CENTER, INC.
Statement of Activities
For the Year Ended December 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
SUPPORT AND REVENUE:			
Contributions and grants	\$ 1,697,108	\$ 1,478,765	\$ 3,175,873
Patient service revenue	842,305	-	842,305
Fundraising, net of costs of direct benefits to donors of \$5,097	21,568	-	21,568
Interest and dividend income	91,428	-	91,428
Unrealized gain (loss) on investments	379,599	-	379,599
Realized gain (loss) on investments	213,865	-	213,865
Gain (loss) on disposal of property and Miscellaneous income	2,501	-	2,501
Contributed goods and services	1,229,615	-	1,229,615
Total Support and Revenue before Transfers	4,477,989	1,478,765	5,956,754
Net Assets Released from Restrictions due to Satisfaction of Donor-imposed Requirements	924,104	(924,104)	-
Total Support and Revenue	5,402,093	554,661	5,956,754
EXPENSES:			
Program	4,786,655	-	4,786,655
Management and general	285,058	-	285,058
Fundraising	374,242	-	374,242
Total Expenses	5,445,955	-	5,445,955
NET CHANGES IN NET ASSETS	(43,862)	554,661	510,799
NET ASSETS:			
Beginning of year	10,684,360	1,489,530	12,173,890
End of year	\$ 10,640,498	\$ 2,044,191	\$ 12,684,689

See accompanying summary of accounting policies and notes to financial statements.

THE GOOD SAMARITAN HEALTH CENTER, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2018

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation	\$ 2,121,858	\$ 176,721	\$ 112,349	\$ 2,410,928
Outside services	281,377	27,819	64	309,260
Advertising	860	-	20,186	21,046
Office	101,211	8,430	5,359	115,000
Occupancy	210,458	4,476	8,956	223,890
Insurance	50,660	4,220	2,681	57,561
Depreciation	294,022	6,256	12,512	312,790
Supplies	463,784	-	-	463,784
Telecommunications	13,345	1,112	707	15,164
Postage and printing	3,102	258	164	3,524
Donated services and materials	708,106	-	-	708,106
Other	38,385	17,953	2,633	58,971
	<u>38,385</u>	<u>17,953</u>	<u>2,633</u>	<u>58,971</u>
Total Expenses	<u><u>\$ 4,287,168</u></u>	<u><u>\$ 247,245</u></u>	<u><u>\$ 165,611</u></u>	<u><u>\$ 4,700,024</u></u>

See accompanying summary of accounting policies and notes to financial statements.

THE GOOD SAMARITAN HEALTH CENTER, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2017

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation	\$ 2,252,467	\$ 161,319	\$ 192,331	\$ 2,606,117
Outside services	223,013	33,944	70,084	327,041
Advertising	1,782	-	24,497	26,279
Office	89,716	6,425	7,661	103,802
Occupancy	178,902	3,806	7,613	190,321
Insurance	44,575	3,192	3,806	51,573
Depreciation	296,096	6,300	12,600	314,996
Supplies	480,475	-	-	480,475
Telecommunications	12,426	890	1,061	14,377
Postage and printing	2,628	188	224	3,040
Donated services and materials	1,129,615	50,000	50,000	1,229,615
Other	74,960	18,994	4,365	98,319
	<u>74,960</u>	<u>18,994</u>	<u>4,365</u>	<u>98,319</u>
Total Expenses	<u><u>\$ 4,786,655</u></u>	<u><u>\$ 285,058</u></u>	<u><u>\$ 374,242</u></u>	<u><u>\$ 5,445,955</u></u>

See accompanying summary of accounting policies and notes to financial statements.

THE GOOD SAMARITAN HEALTH CENTER, INC.
Statements of Cash Flows

	For the Year Ended December 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net changes in net assets	\$ (296,195)	\$ 510,799
Adjustments to reconcile net changes in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	312,790	314,996
Unrealized (gain) loss	569,811	(379,599)
Realized (gain) loss on investments	(122,873)	(213,865)
Contributions restricted for long term purposes	-	(826,706)
(Increase) decrease in receivables	(218,049)	87,212
(Increase) decrease in prepaid expenses	4,675	(4,675)
(Increase) decrease in inventory	(3,451)	881
Increase (decrease) in accounts payable and accruals	(75,741)	72,041
Increase (decrease) in deferred revenue	(40,000)	40,000
	130,967	(398,916)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net proceeds (purchases) -investments	236,734	115,581
Proceeds of sale of equipment	-	
Decrease (increase) cash restricted for capital campaign	(122,645)	(64,735)
Purchase of property and equipment	(253,523)	(279,435)
	(139,434)	(228,589)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Collection of contributions for long term purposes	317,000	249,551
	317,000	249,551
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	308,533	(377,954)
CASH AND CASH EQUIVALENTS:		
Beginning of year	540,895	918,849
End of year	\$ 849,428	\$ 540,895

See accompanying summary of accounting policies and notes to financial statements.

THE GOOD SAMARITAN HEALTH CENTER, INC.

SUMMARY OF ACCOUNTING POLICIES

ORGANIZATION

The Good Samaritan Health Center, Inc. (the "Organization") is a Georgia nonprofit organization located in downtown Atlanta, Georgia that was established in 1998 whose primary purpose is to provide health-related services to the indigent, homeless and the working poor. The Organization is funded primarily through grants and contributions.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The net assets, revenue, support, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions into two classes:

Net assets without donor restrictions are currently available for purposes under the direction of the board, designated by the board for specific use, or resources invested in furniture and equipment.

Net assets with donor restrictions are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

SUPPORT AND REVENUE RECOGNITION

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as reclassifications.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the long-lived assets are placed into service.

Gifts-in-kind include contributions of noncash items. Gifts-in-kind that can be used or sold are measured at fair value.

EXPENSE RECOGNITION

All expenses are recognized in the statement of activities as decreases in unrestricted net assets.

THE GOOD SAMARITAN HEALTH CENTER, INC.

SUMMARY OF ACCOUNTING POLICIES

STATEMENT OF CASH FLOWS

Cash and cash equivalents include all highly liquid temporary investments with a maturity of three months or less. The Organization made no material interest or income tax payments during the years ended December 31, 2018 and 2017.

INCOME TAXES

The Organization is exempt from income taxes under section 501(c) (3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying financial statements. The Organization has been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

PROMISES TO GIVE

All unconditional promises to give are considered to be available for unrestricted use unless specifically restricted by the donor. Promises to give with payment dates in future periods, promises to give restricted by the donor for specific purposes, or amounts received that are designated for future periods are reported as donor-imposed restricted support.

Unconditional promises to give are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount, if any, is included in contribution revenue.

INVENTORY

Inventory consists primarily of medications and medical supplies to be provided to patients of the Organization. It is stated at the lower of cost or market, on a first-in, first-out method.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, or if donated, at estimated fair value at the date of donation. Any donations of property and equipment are also recorded as support in the statement of activities at their estimated fair value. Depreciation is computed over the estimated useful lives (3-20 years) of the assets using the straight-line method.

Acquisitions of property and equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets are capitalized.

PATIENT SERVICE REVENUE

All fees charged to patients are due at the time the service is rendered. Patients eligible for government assistance programs, such as Medicare or Medicaid, are charged for their co-payment, if any. Fees are established on a sliding scale according to the means of the patients, however, no patients are turned away, and a substantial number are seen free of charge. Any amount not collected at the time of the visit is considered uncollectible and therefore, not recorded as a receivable.

USE OF ESTIMATES

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates. Significant estimates include the functional allocation of expenses and the collectability of pledges and contributions receivable.

THE GOOD SAMARITAN HEALTH CENTER, INC.

SUMMARY OF ACCOUNTING POLICIES

DONATED SERVICES

During 2018 and 2017, the value of donated professional, laboratory and radiology services meeting the requirements for recognition in the financial statements was \$708,106 and \$1,229,615, respectively. In addition, many individuals volunteer time and perform a variety of tasks that assist the Organization with various administrative and program tasks. The value of these services has not been reflected in the financial statements since they do not meet the criteria for recognition.

FUNCTIONAL ALLOCATION OF EXPENSES

The Organization allocates its expenses on a functional basis among their various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Indirect expenses have been allocated primarily based on salary expenditures.

UNCERTAIN TAX POSITIONS

The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of December 31, 2018 and 2017, there are no known items which would result in a material accrual related to where the Organization has federal or state attributable tax positions. Generally, the taxing authorities have three years to examine a tax return from the later of the filing date or the extended due date.

CONCENTRATIONS

The Organization maintains bank accounts (including investments) in three financial institutions which exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash. In 2018, the Organization received approximately \$500,000 from one donor.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, which is the date the financial statements were available to be issued.

RECENTLY ADOPTED ACCOUNTING POLICY

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. The Organization adopted the provisions of this new standard during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (see Note 12).

THE GOOD SAMARITAN HEALTH CENTER, INC.

SUMMARY OF ACCOUNTING POLICIES

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued a new accounting standard, ASU 2014-09 (*Topic 606*), which impacts revenue recognition for exchange transactions. The standard will take effect for annual financial statements issued for fiscal years beginning after December 15, 2018. Early adoption is permitted subsequent to periods beginning after December 15, 2016. The Organization plans to adopt ASU 2014-09 (*Topic 606*) for the year beginning after December 15, 2018. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

In February 2016, the Financial Accounting Standards Board (FASB) issued a new accounting standard, ASU No. 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for fiscal years beginning after December 15, 2021. It is to be adopted using a modified retrospective approach. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

In June 2018, the FASB issued a new accounting standard, ASU 2018-08 (*Topic 958*), to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The standard will take effect for annual financial statements issued for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Organization plans to adopt ASU 2018-08 (*Topic 958*) for the year beginning after December 15, 2018. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – INVESTMENTS

At December 31, 2018 and 2017, investments consisted of the following:

	<u>2018</u>	<u>2017</u>
Mutual Funds	\$ 2,258,214	\$ 2,562,887
Equities	1,891,920	2,139,749
Hedge Funds	60,333	125,224
Real Estate Investment Trusts	<u>223,057</u>	<u>289,336</u>
	<u>\$ 4,433,524</u>	<u>\$ 5,117,196</u>

Gains and losses from investments are reported in the statements of activities.

NOTE 2 – PROPERTY AND EQUIPMENT

At December 31, 2018 and 2017, property and equipment consists of the following:

	<u>2018</u>	<u>2017</u>
Land	\$2,250,423	\$2,250,423
Building and improvements*	5,523,471	5,355,717
Medical and dental equipment	1,001,662	928,293
Computer/office equipment	580,798	580,798
Vehicles	62,913	62,913
Furniture and fixtures	<u>241,151</u>	<u>228,752</u>
	9,660,418	9,406,896
Accumulated depreciation	<u>(4,190,016)</u>	<u>(3,877,227)</u>
Property and equipment-net	<u>\$5,470,402</u>	<u>\$5,529,669</u>

* includes construction in progress of \$247,047 and \$152,197 at 12/31/18 and 12/31/17

NOTE 3 – PROMISES TO GIVE

Promises to give at December 31, 2018 are as follows:

Receivable in less than one year	\$ 573,796
Receivable in one to five years	184,978
Receivable in six to ten years	<u>10,000</u>
Total unconditional promises to give	768,774
Less: discount to net present value *	<u>-</u>
Net unconditional promises to give	<u>\$ 768,774</u>

*not material

Management represents that all promises to give are collectible; therefore, no provision is made for uncollectible amounts.

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – BOARD DESIGNATED ENDOWMENT NET ASSETS

Changes in the board designated net assets are as follows:

Balance at 12/31/16	\$4,757,863
Interest and dividend income	123,981
Realized gains (losses)	213,865
Unrealized gains (losses)	379,611
Investment fees	(33,523)
Transfers	<u>(232,780)</u>
Balance at 12/31/17	5,209,017
Interest and dividend income	119,434
Realized gains (losses)	122,873
Unrealized gains (losses)	(569,811)
Investment fees	(32,321)
Transfers	<u>(308,634)</u>
Balance at 12/31/17	<u>\$4,540,558</u>

The Organization’s policy is to invest endowment funds in predominately fixed income and equity investments. It is the Organization’s policy to distribute at least 4.5% of the account balance at September 30th of each year.

NOTE 5– DONOR-IMPOSED RESTRICTED NET ASSETS

As of December 31, 2018 and 2017, donor-imposed restricted net assets, consisting of cash and receivables, were restricted as follows:

	<u>2018</u>	<u>2017</u>
Women’s health services	\$48,461	\$ 45,695
Nutrition education services	288,969	123,503
Capital campaign	1,287,866	1,482,221
Dental	20,702	22,000
Timing restrictions	56,068	78,779
Patient access	61,314	-
Diabetic patient	86,454	-
Patient navigation program	86,429	58,325
Homeless	169,148	106,151
Prenatal	25,000	33,262
Medical home access	14,985	30,602
Other program services	<u>17,806</u>	<u>63,653</u>
	<u>\$ 2,163,202</u>	<u>\$ 2,044,191</u>

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5– DONOR-IMPOSED RESTRICTED NET ASSETS (concluded)

During 2015, the Organization started a capital campaign with the proceeds to be used for several initiatives including the following: new fitness center, increased mental health counseling, a land purchase, expansion of the urban farm program and facility upgrades. In 2017, contributions include \$826,706 related to the capital campaign. The campaign was substantially completed in 2018

NOTE 6 – FAIR VALUE MEASUREMENTS

The Organization applies fair value measurement standards for financial reporting, which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The fair value standard established a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs to measure fair value are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices included in level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Inputs are unobservable inputs for the asset that are supported by little or no market activity and that are significant to the fair value of the underlying asset.

Investments of the Organization represent primarily amounts invested in publicly traded stocks, bonds, mutual funds and real estate investments trusts (focused primarily on stocks and mutual funds). The investments have been valued using level 1 and 2 inputs.

The recorded values of current receivables and accounts payable and accrued expenses are stated at cost, which approximates fair value due to their short-term nature. The recorded value of long-term receivables is the present value of estimated future cash flows.

NOTE 7 – RETIREMENT PLAN

The Organization has adopted a savings incentive match plan covering substantially all employees. Under the plan, the Organization contributes up to two percent of each eligible employee's salary. During 2018 and 2017, contributions by the Organization were \$32,994 and \$34,559, respectively.

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – CONTINGENCY

The Organization depends heavily on grants to support ongoing operations. To the extent economic conditions negatively impact future contribution levels, the Organization's ability to continue at its current level of activity could be substantially impacted. Contracts and contributions often require the fulfillment of certain conditions as set forth in the terms of the related instrument. Failure to fulfill the conditions could result in the return of the funds to the grantor. Management represents that the Organization has complied with any such conditions.

NOTE 9 - COMMUNITY FOUNDATION FUNDS

The Community Foundation of Greater Atlanta, Inc. (the "Foundation") holds a fund (the "fund") on behalf of the Organization. Since the Foundation has retained variance power over the fund, the Organization has not recorded the fund as an asset in accordance with GAAP. The Organization recognizes a contribution upon receipt of a distribution from the fund. At December 31, 2018, the amount held in this fund was \$654,808.

NOTE 10 – COMMITMENT

On April 20, 2018, the Organization entered into a design-build cost plus construction agreement for the construction of certain new facilities and renovations with a maximum price of \$1,193,217. As of December 31, 2018, the construction was in progress and was substantially completed in 2019.

NOTE 11 – MARGIN LOAN AGREEMENT

The Organization has a \$500,000 margin loan agreement with a bank which matures December 18, 2019. Under the terms of the agreement, the loan is secured by certain assets including investments. As of December 31, 2018, no amounts were outstanding on the loan agreement. Interest will be charged at the bank's 30-day LIBOR rate plus 2 percent.

NOTE 12 – LIQUIDITY AND FUNDS AVAILABLE

The Organization has \$5,698,221 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$849,428, investments of \$4,433,524, accounts receivable of \$400,163, and inventory of \$15,106. Some of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year.

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet short term normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments.

The Organization also has committed lines of credit in the amount of \$500,000 which it could draw upon in the event of an unanticipated liquidity level.