

THE GOOD SAMARITAN HEALTH CENTER, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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, 2019 and 2018, 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 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, Inc. as of December 31, 2019 and 2018, 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
November 10, 2020

THE GOOD SAMARITAN HEALTH CENTER, INC
Statements of Financial Position

	As of December 31,	
	2019	2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 583,681	\$ 742,394
Investments (Note 1)	6,498	-
Promises to give, current portion (Note 3)	180,727	346,296
Contributions receivable	20,405	53,867
Prepaid expenses	3,586	-
Inventory	20,330	15,106
Total Current Assets	815,227	1,157,663
ASSETS RESTRICTED FOR BOARD DESIGNATED ENDOWMENT (Note 4):		
Cash	390,954	107,034
Investments	5,042,678	4,433,524
Total Assets Restricted for Board Designated Endowment	5,433,632	4,540,558
ASSETS RESTRICTED FOR CAPITAL CAMPAIGN:		
Cash	173,965	956,866
Promises to give (Note 3)	105,500	331,000
Total Assets Restricted for Capital Campaign	279,465	1,287,866
ASSETS RESTRICTED FOR LONG-TERM USE (Note 5):		
Cash - dental equipment	58,633	-
Investments - endowment	100,000	-
Total Assets Restricted for Long-term Use	158,633	-
LONG-TERM PROMISES TO GIVE (Note 3)	105,000	91,478
PROPERTY AND EQUIPMENT- NET (Note 2)	6,181,438	5,470,402
OTHER ASSETS	2,722	2,722
TOTAL ASSETS	\$ 12,976,117	\$ 12,550,689

(continued)

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

THE GOOD SAMARITAN HEALTH CENTER, INC
Statements of Financial Position

	As of December 31,	
	2019	2018
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 157,627	\$ 162,195
Line of credit (Note 9)	260,000	-
Total Current Liabilities	417,627	162,195
NET ASSETS:		
Without donor restrictions:		
Unrestricted	5,895,032	5,684,734
Board designated endowment (Note 4)	5,433,632	4,540,558
Total net assets without donor restrictions	11,328,664	10,225,292
With donor restrictions (Note 5):		
Purpose restrictions	1,064,802	2,107,134
Time restrictions	65,024	56,068
Perpetual in nature	100,000	-
Total net assets with donor restrictions	1,229,826	2,163,202
Total Net Assets	12,558,490	12,388,494
TOTAL LIABILITIES AND NET ASSETS	\$ 12,976,117	\$ 12,550,689

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, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
SUPPORT AND REVENUE:			
Contributions and grants	\$ 1,829,777	\$ 739,258	\$ 2,569,035
Patient service revenue	1,019,478	-	1,019,478
Fundraising, net of costs of direct benefits to donors of \$11,098	18,655	-	18,655
Interest and dividend income	118,702	2,537	121,239
Unrealized gain (loss) on investments	638,028	5,112	643,140
Realized gain (loss) on investments	198,042	-	198,042
Miscellaneous income	4,475	-	4,475
Contributed goods and services	894,500	-	894,500
	<hr/>	<hr/>	<hr/>
Total Support and Revenue before Transfers	4,721,657	746,907	5,468,564
Net Assets Released from Restrictions due to Satisfaction of Donor-imposed Requirements	<hr/>	<hr/>	<hr/>
	1,680,283	(1,680,283)	-
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	6,401,940	(933,376)	5,468,564
	<hr/>	<hr/>	<hr/>
EXPENSES:			
Program	4,861,775	-	4,861,775
Management and general	256,397	-	256,397
Fundraising	180,396	-	180,396
	<hr/>	<hr/>	<hr/>
Total Expenses	5,298,568	-	5,298,568
	<hr/>	<hr/>	<hr/>
NET CHANGES IN NET ASSETS	1,103,372	(933,376)	169,996
NET ASSETS:			
Beginning of year	<hr/>	<hr/>	<hr/>
	10,225,292	2,163,202	12,388,494
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 11,328,664</u>	<u>\$ 1,229,826</u>	<u>\$ 12,558,490</u>

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
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
	<hr/>	<hr/>	<hr/>
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	<hr/>	<hr/>	<hr/>
	1,023,640	(1,023,640)	-
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	4,284,818	119,011	4,403,829
	<hr/>	<hr/>	<hr/>
EXPENSES:			
Program	4,287,168	-	4,287,168
Management and general	247,245	-	247,245
Fundraising	165,611	-	165,611
	<hr/>	<hr/>	<hr/>
Total Expenses	4,700,024	-	4,700,024
	<hr/>	<hr/>	<hr/>
NET CHANGES IN NET ASSETS	(415,206)	119,011	(296,195)
NET ASSETS:			
Beginning of year	<hr/>	<hr/>	<hr/>
	10,640,498	2,044,191	12,684,689
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 10,225,292</u>	<u>\$ 2,163,202</u>	<u>\$ 12,388,494</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, 2019

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation	\$ 2,296,664	\$ 179,662	\$ 119,948	\$ 2,596,274
Outside services	315,892	28,371	747	345,010
Advertising	1,226	-	21,368	22,594
Office	99,035	7,747	5,172	111,954
Occupancy	284,272	6,049	12,096	302,417
Insurance	51,093	3,997	2,668	57,758
Depreciation	324,844	6,912	13,823	345,579
Supplies	506,487	-	-	506,487
Telecommunications	14,487	1,133	756	16,376
Postage and printing	3,357	263	175	3,795
Donated services and materials	894,500	-	-	894,500
Other	69,918	22,263	3,643	95,824
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 4,861,775</u>	<u>\$ 256,397</u>	<u>\$ 180,396</u>	<u>\$ 5,298,568</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, 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> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 4,287,168</u>	<u>\$ 247,245</u>	<u>\$ 165,611</u>	<u>\$ 4,700,024</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,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 169,996	\$ (296,195)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	345,579	312,790
Unrealized (gain) loss on investments	(638,028)	569,811
Realized (gain) loss on investments	(198,042)	(122,873)
Contributions restricted for long term purposes	(158,633)	-
(Increase) decrease in receivables	185,509	(218,049)
(Increase) decrease in prepaid expenses	(3,586)	4,675
(Increase) decrease in inventory	(5,224)	(3,451)
Increase (decrease) in accounts payable and accruals	(4,568)	(75,741)
Increase (decrease) in deferred revenue	-	(40,000)
Net Cash Provided by (Used in) Operating Activities	<u>(306,997)</u>	<u>130,967</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net proceeds (purchases) from sale of investments	120,418	236,734
Purchase of property and equipment	<u>(1,056,615)</u>	<u>(253,523)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(936,197)</u>	<u>(16,789)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from line of credit	260,000	-
Collection of contributions for long term purposes	<u>384,133</u>	<u>317,000</u>
Net Cash Provided by (Used in) Financing Activities	<u>644,133</u>	<u>317,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(599,061)	431,178
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>1,806,294</u>	<u>1,375,116</u>
End of year	<u><u>\$ 1,207,233</u></u>	<u><u>\$ 1,806,294</u></u>
Cash Reconciliation:		
Cash and cash equivalents	\$ 583,681	\$ 742,394
Assets restricted for board designated endowment: cash	390,954	107,034
Assets restricted for capital campaign: cash	173,965	956,866
Assets restricted for long-term use: cash	<u>58,633</u>	<u>-</u>
	<u><u>\$ 1,207,233</u></u>	<u><u>\$ 1,806,294</u></u>

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

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

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.

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.

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.

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, 2019 and 2018, 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.

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all highly liquid temporary investments with a maturity of three months or less. The Organization maintains its cash and cash equivalents with high credit, quality financial institutions, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

INVESTMENTS

Investments are recorded at fair value with gains and losses reported in the statement of activities. Donated investments are recorded at fair value at the date of donation and are thereafter carried in conformity with the stated policy. Investment balances may, at times, exceed federally insured limits. Management believes it is not exposed to any significant credit risk on investment accounts and the Organization has not experienced any such losses in such accounts during the fiscal year.

FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value for investments is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, generally accepted accounting principles established a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Other significant observable inputs not quoted on active markets, but corroborated by 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 fair value of the underlying assets

The value on a recurring basis as of December 31, 2019, is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Publicly traded securities	\$5,149,176	\$5,149,176	\$ -	\$ -

The value on a recurring basis as of December 31, 2018, is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Publicly traded securities	\$4,433,524	\$4,433,524	\$ -	\$ -

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

CONTRIBUTIONS RECEIVABLES AND PROMISES TO GIVE

Contributions receivables and promises to give are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions and grants with payment dates in future periods, restricted by the donor for specific purposes or designated for future periods are reported as revenue with donor restrictions that increases that net asset class. Management reviews amounts past due and provides an allowance for those amounts deemed uncollectible. Management considers all accounts collectible at December 31, 2019 and 2018.

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 over \$400 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. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

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.

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SUPPORT AND REVENUE RECOGNITION, concluded

Effective January 1, 2019, the Organization recognizes revenue from contracts in accordance with Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* using the five-step approach. Revenues are recognized at a point in time.

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.

EXPENSE RECOGNITION

All expenses are recognized in the statement of activities as decreases in net assets without donor restrictions. The Organization allocates its expenses on a functional basis among its 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.

DONATED SERVICES

For the years ended December 31, 2019 and 2018, the value of donated professional, laboratory, and radiology services meeting the requirements for recognition in the financial statements was \$894,500 and \$708,106, respectively.

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.

CONCENTRATIONS

For the year ended December 31, 2018, the Organization recognized revenue from one source that represented approximately 11% of total public support and revenue.

SUBSEQUENT EVENTS

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

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

RECENTLY ADOPTED ACCOUNTING POLICIES

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The Organization adopted the provisions of this new standard during the year ended December 31, 2019. Under the new standard, restricted cash is included with cash and cash equivalents in the statements of cash flows.

In May 2014, the FASB issued a new accounting standard, ASU 2014-09 (Topic 606), which impacts revenue recognition for exchange transactions. The Organization adopted the provisions of this new standard during the year ended December 31, 2019. The provisions of the new standard did not have a material impact on the financial statements of the Organization.

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 Organization adopted the provisions of this new standard during the year ended December 31, 2019. The provisions of the new standard did not have a material impact on the financial statements of the Organization.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

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 or through a cumulative effect adjustment to the opening balance of net assets in the period of adoption. The Organization does not anticipate a material impact on the financial statements upon adoption of this new standard.

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current year presentation.

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – INVESTMENTS

Investments consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Mutual Funds	\$ 2,436,976	\$ 2,258,214
Equities	2,350,874	1,891,920
Hedge Funds	103,919	60,333
Real Estate Investment Trusts and Real Estate Funds	<u>257,407</u>	<u>223,057</u>
Total	<u>\$ 5,149,176</u>	<u>\$ 4,433,524</u>

Gains and losses from investments are reported in the statements of activities. In 2019 and 2018, interest and dividend income is reflected net of investment fees of \$31,515 and \$32,851, respectively.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Land	\$ 2,325,423	\$ 2,250,423
Building and improvements*	6,505,043	5,523,471
Medical and dental equipment	1,001,655	1,001,662
Computer/office equipment	580,848	580,798
Vehicles	62,913	62,913
Furniture and fixtures	<u>241,151</u>	<u>241,151</u>
	10,717,033	9,660,418
Less: accumulated depreciation	<u>(4,535,595)</u>	<u>(4,190,016)</u>
Total	<u>\$ 6,181,438</u>	<u>\$ 5,470,402</u>

* Includes construction in progress of \$0 and \$247,047 as of December 31, 2019 and 2018, respectively.

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – PROMISES TO GIVE

Promises to give consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Receivable in less than one year	\$ 222,227	\$ 573,796
Receivable in one to five years	169,000	184,978
Receivable in six to ten years	<u>-</u>	<u>10,000</u>
Total unconditional promises to give	391,227	768,774
Less: discount to net present value *	<u>-</u>	<u>-</u>
Net unconditional promises to give	<u>\$ 391,227</u>	<u>\$ 768,774</u>

*not material

NOTE 4 – BOARD DESIGNATED ENDOWMENT NET ASSETS

Changes in the board designated net assets are as follows:

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 12/31/18	4,540,558
Interest and dividend income	165,696
Realized gains (losses)	180,645
Unrealized gains (losses)	652,767
Investment fees	(30,867)
Transfers	<u>(75,167)</u>
Balance at 12/31/19	<u>\$ 5,433,632</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 on September 30th of each year.

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – DONOR-IMPOSED RESTRICTED NET ASSETS

Net assets with donor restrictions represent contributions in cash and receivables with the following donor-imposed restrictions as of December 31:

	<u>2019</u>	<u>2018</u>
Women's health services	\$ 16,408	\$ 48,461
Nutrition education services	231,951	288,969
Capital campaign	279,465	1,287,866
Dental	29,756	20,702
Patient access	-	61,314
Diabetic patient	85,522	86,454
Patient navigation program	-	86,429
Homeless	126,657	169,148
Prenatal	25,000	25,000
Medical home access	-	14,985
Urban farm weed control	102,835	-
Heart & health	3,500	-
Expanding medical home access	12,000	-
Cherokee county medical	5,000	-
Dental equipment (A)	58,633	-
Other program services	<u>88,075</u>	<u>17,806</u>
Total purpose restrictions	1,064,802	2,107,134
Timing restrictions	65,024	56,068
Perpetual in nature - Endowment (A)	<u>100,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 1,229,826</u>	<u>\$ 2,163,202</u>

(A) – Reflect amounts designated for long term purposes

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. The campaign was substantially completed in 2018.

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – DONOR-IMPOSED RESTRICTED NET ASSETS, concluded

During the year ended December 31, 2019, the Organization was awarded a \$100,000 endowment contribution. The Organization's endowment investment policy is to hold the funds in marketable security accounts with any earnings being restricted for use in the Organization's homeless clinic efforts. Changes in assets investment with endowment funds are as follows:

	Restricted for Homeless Clinic	Restricted in Perpetuity	Total
Balance at 12/31/2018	\$ -	\$ -	\$ -
Contributions	-	100,000	100,000
Unrealized Gain/Loss	5,112	-	5,112
Realized Gain/Loss	-	-	-
Interest/Dividend Income	2,915	-	2,915
Fees	<u>(378)</u>	<u>-</u>	<u>(378)</u>
Balance at 12/31/2019	<u>\$ 7,649</u>	<u>\$ 100,000</u>	<u>\$ 107,649</u>

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) has been adopted by the State of Georgia. The Board of the Organization has reviewed UPMIFA and, having considered its rights and obligations thereunder, has determined that it is desirable to preserve, on a long-term basis, the fair value of original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this determination, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers: (1) The duration and preservation of the endowment fund; (2) The purposes of the Organization and the endowment fund; (3) General economic conditions; (4) The possible effect of inflation or deflation; (5) The expected total return from income and the appreciation of investments; (6) Other resources of the Organization; and (7) The investment policies of the Organization.

The assets of the endowment are held in a investment account combined with a similar purpose board designated endowment fund.

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – 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 2019 and 2018, contributions by the Organization were \$35,922 and \$32,994, respectively.

NOTE 7 – 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 8 – 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, 2019, the amount held in this fund was \$732,221.

NOTE 9 – LINE OF CREDIT

The Organization has a \$500,000 line of credit agreement with a bank which maturity date of December 14, 2020. Under the terms of the agreement, the loan is secured by certain assets including investments and the Organization will pay interest monthly at the bank's 30-day LIBOR rate plus 2 percent. As of December 31, 2019, the Organization had an outstanding balance of \$260,000. As of December 31, 2018, no amounts were outstanding on the loan agreement.

THE GOOD SAMARITAN HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – LIQUIDITY AND FUNDS AVAILABLE

The Organization has \$815,227 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 \$583,681, investments of \$6,498, receivables of \$201,132, prepaid expenses of \$3,586, and inventory of \$20,330. Included in the above amounts are donor restricted net assets that are available to be used in the next year. The contributions receivables are subject to implied time restrictions but are expected to be collected within one year.

The Organization has a board designated endowment of \$5,433,632 held in marketable securities that could be undesignated by the board and used for general expenditures. As discussed in Note 9, the Organization also has capacity available on the \$500,000 lines of credit for general expenditures.

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.