

**HEALTH CARE  
CENTRAL GEORGIA, INC.  
FINANCIAL STATEMENTS**

**AUDIT REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2008**



HEALTH CARE CENTRAL GEORGIA, INC.  
FORSYTH, GEORGIA

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JUNE 30, 2008

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Member of  
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**INDEPENDENT AUDITOR'S REPORT**

Health Care Central Georgia, Inc.  
Forsyth, Georgia

We have audited the accompanying statement of financial position of Health Care Central Georgia, Inc., a non-profit organization, as of June 30, 2008, and the related statements of activities, cash flows and functional expenses for the fiscal year then ended. These financial statements are the responsibility of the management of Health Care Central Georgia, Inc. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2007 financial statements and, in our report dated September 24, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Health Care Central Georgia, Inc. as of June 30, 2008, and the changes in its net assets and its cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2008, on our consideration of Health Care Central Georgia, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

August 18, 2008  
Macon, Georgia



## **FINANCIAL STATEMENTS**

HEALTH CARE CENTRAL GEORGIA, INC.  
 FORSYTH, GEORGIA

STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 2008  
 WITH COMPARATIVE TOTALS AS OF JUNE 30, 2007

<u>ASSETS</u>	2008	2007
<u>Current Assets:</u>		
Cash	\$ 228,403	\$ 98,997
Certificates of Deposit	519,881	883,122
Grants receivable	67,196	41,742
Prepaid expenses	-	3,717
	815,480	1,027,578
<u>Property and Equipment:</u>		
Computer software	558,128	558,128
Machinery and equipment	84,126	62,336
Less: accumulated depreciation	(574,629)	(484,899)
	67,625	135,565
Net Property and Equipment	67,625	135,565
Total Assets	\$ 883,105	\$ 1,163,143
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts payable	\$ 13,203	\$ 1,296
Accrued payroll liabilities	37	-
Deferred revenue	425,571	757,546
	438,811	758,842
Total Current Liabilities	438,811	758,842
Total Liabilities	438,811	758,842
<u>Net Assets:</u>		
Unrestricted	444,294	404,301
Total Net Assets	444,294	404,301
Total Liabilities and Net Assets	\$ 883,105	\$ 1,163,143

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



HEALTH CARE CENTRAL GEORGIA, INC.  
 FORSYTH, GEORGIA

STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

<u>Changes in Unrestricted Net Assets:</u>	2008	2007
Revenue and support		
Donations	\$ 4,669	\$ 25
Contract revenue	98,000	108,389
Other revenues	7,670	1,040
Interest income	35,325	57,624
Total revenue and support	145,664	167,078
Net assets released from restriction	1,445,817	1,406,323
Total Revenue, Support and Net Assets Released	1,591,481	1,573,401
Expenses		
Program services	1,542,713	1,533,055
Supporting services	28,474	16,046
Total expenses	1,571,187	1,549,101
Increase (Decrease) in Unrestricted Net Assets	20,294	24,300
<u>Changes in Temporarily Restricted Net Assets:</u>		
Contributed Support:		
Access Georgia	-	47,831
MedCen Foundation	63,000	(29,450)
GRHA/BP	3,000	13,725
HRSA	40,141	-
DHR	25,000	-
DCH	294,832	179,944
ACS Nurse Screening	-	5,825
Monroe County Hospital	43,831	62,337
Medical Center Central Georgia	325,500	518,389
Houston Healthcare Complex	177,144	108,962
Breast Tag Grant Award	17,044	32,956
DPH Cancer Media	29,982	-
RPE	50,000	198,032
Cancer Education	27,673	1,074
Caregiver Education	116,000	60,169
Komen Foundation	10,000	17,500
Healthcare Georgia Foundation	141,667	60,051
Peach Regional	-	38,067
Other Contributed Support	81,003	14,250
Total Contributed Support	1,445,817	1,329,662
Net Assets Released from Restriction	(1,445,817)	(1,406,323)
Increase (Decrease) in Temporarily Restricted Net Assets	-	(76,661)
Increase (Decrease) in Net Assets before Contributions	20,294	(52,361)
Capital Contributions	19,699	-
Increase (Decrease) in Net Assets	39,993	(52,361)
Net Assets - Beginning of Year	404,301	456,662
Net Assets - End of Year	\$ 444,294	\$ 404,301

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

HEALTH CARE CENTRAL GEORGIA, INC.  
FORSYTH, GEORGIA

STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

<u>Cash Flows from Operating Activities:</u>	2008	2007
Contributed Support Received:		
Unrestricted support	\$ 110,339	\$ 109,454
Restricted support	1,088,388	1,336,546
Interest received	35,325	57,624
Cash Paid For:		
Salaries and benefits	(918,372)	(866,388)
Operating expenses	(547,424)	(713,047)
Net Cash Provided by (Used for) Operating Activities	(231,744)	(75,811)
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Purchase of property, plant, and equipment	(21,790)	(13,894)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(2,091)	(13,894)
<u>Cash Flows from Investing Activities:</u>		
Short-term investments earnings	363,241	(44,475)
Net Cash Used in Investing Activities	363,241	(44,475)
Net Increase (Decrease) in Cash and Cash Equivalents	129,406	(134,180)
Cash, Beginning of Year	98,997	233,177
Cash, End of Year	\$ 228,403	\$ 98,997
Reconciliation of Increase in Net Assets to Net Cash Provided by Operating Activities:		
Increase (Decrease) in net assets	\$ 20,294	\$ (52,361)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	89,730	88,206
(Increase) decrease in grants receivable	(25,454)	209,479
(Increase) decrease in prepaid expenses	3,717	(3,717)
Increase (decrease) in accounts payable	11,907	(113,369)
Increase (decrease) in accrued liabilities	37	(1,454)
Increase (decrease) in deferred revenue	(331,975)	(202,595)
Total Adjustments	(252,038)	(23,450)
Net Cash Provided by Operating Activities	\$ (231,744)	\$ (75,811)

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

HEALTH CARE CENTRAL GEORGIA, INC.  
 FORSYTH, GEORGIA

STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	2008			2007 Total
	Program Services	Supporting Services	Total	
Personnel:				
Care managers	\$ 407,390	\$ -	\$ 407,390	\$ 359,227
Management	222,542	-	222,542	238,862
Support	127,878	-	127,878	148,428
Other personnel expense	160,599	-	160,599	118,417
Building repairs & maintenance	480	160	640	-
Business planning	81,316	-	81,316	44,230
Communications	17,325	-	17,325	16,367
Equipment	2,000	-	2,000	-
Computer support & networking	2,000	-	2,000	59,752
Depreciation	89,730	-	89,730	88,206
Education	698	-	698	-
Furniture & fixtures	7,477	2,492	9,969	-
Information technology	26,107	-	26,107	70,654
Marketing	23,188	7,730	30,918	7,231
Meetings expense	17,671	5,891	23,562	-
Miscellaneous indirect costs	16,761	5,587	22,348	27,953
Office supplies	3,972	1,324	5,296	15,478
Other development	42,460	-	42,460	48,852
Pharmacy DME	19,226	-	19,226	81,669
Postage	3,653	1,218	4,871	5,778
Printing & publications	7,900	-	7,900	7,509
Professional fees	33,829	-	33,829	17,295
Project development	145,548	-	145,548	79,370
Rent	36,251	-	36,251	53,860
Travel	34,497	-	34,497	52,224
Utilities	12,215	4,072	16,287	7,739
<b>Total Expenses</b>	<b>\$ 1,542,713</b>	<b>\$ 28,474</b>	<b>\$ 1,571,187</b>	<b>\$ 1,549,101</b>

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

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**NOTES TO THE FINANCIAL STATEMENTS**

HEALTH CARE CENTRAL GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

Health Care Central Georgia, Inc. (the “Organization”) is a nonprofit organization established in 2001. Its stated purpose is to promote regional integration of whole person healthcare for the uninsured.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Financial Statement Presentation**

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth in Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*, dated June 1993. Accordingly, net assets are reported in the following three classes: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net assets of the temporarily restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

As of June 30, 2008, the Organization reported net assets invested in capital assets of \$67,625, which represents the remaining book value of capital assets purchased with restricted grant proceeds.

**Comparative Totals**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization’s financial statements for the year ended June 30, 2007, from which the summarized information was derived.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Investments**

For the fiscal year ended June 30, 2008, investments consisted entirely of certificates of deposit.

**Income Taxes**

Health Care Central Georgia, Inc. is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

HEALTH CARE CENTRAL GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

(CONTINUED)

**Property and Equipment**

Property and equipment acquisitions are recorded at cost, estimated cost, or if donated, at fair market value on the date of donation. The organization defines capital equipment as items that cost over \$5,000 per unit and have a life expectancy of at least one year. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method.

Equipment	5 years
Software	3 years

**Revenue Recognition**

Revenues are displayed in two broad categories. Earned revenues represent fees earned or revenue generated through the performance or provision of services.

The Organization recognizes all contributed support received as income in the period received. Contributed support is reported as unrestricted or as restricted, depending upon the existence of donor stipulations that limit the use of the support. When a donor 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 activity as net assets released from restrictions.

**In-kind Support**

The organization receives various types of in-kind support, including contributed services. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. Any amounts reflected as in-kind support are offset by like amounts included in expenses. For the fiscal year ended June 30, 2008, no contributed professional services were reported, in accordance with these criteria. The organization did not report any in-kind support for the fiscal year 2008.

Additionally, the Organization receives services donated by its members that do not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined, and is not reflected in the accompanying financial statements.

**Functional Allocation of Expenses**

The costs of providing the various programs and other 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 benefited.

**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.

HEALTH CARE CENTRAL GEORGIA, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

(CONTINUED)

**NOTE 2 – CASH AND DEPOSITS**

As of June 30, 2008, the carrying amount of the Organization's deposits was \$228,403 and the bank balance was \$298,596.

Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Cash at two institutions exceeded federally insured limits. The amount in excess of the FDIC limit totaled \$101,853 as of June 30, 2008. It is the opinion of management that solvency of the referenced financial institutions is not a particular concern at this time.

**NOTE 3 – GRANTS RECEIVABLE**

Grants receivable represent funds earned for the period ending June 30, 2008, which have not been received. All grants receivable are considered earned support and are expected to mature in the next fiscal year. Based upon management estimates, no allowance for uncollectible receivables has been provided.

**NOTE 4 – DEFERRED REVENUES**

Once a grant program has ended and all monies have been expended, the organization is required to file a final report with the grantor agency showing the amount of money received and amount expended under the terms of the grant agreement. In some instances, any excess grant money received may be kept by the organization. During the fiscal year ended June 30, 2008, the organization recognized \$331,975 of excess grant money received.

The organization records any revenue received in excess of current year expenditures as deferred revenue to be recognized in future periods as additional expenditures are incurred. The total amount recorded as deferred revenue at June 30, 2008 was \$425,571.

<u>Program</u>	<u>2008</u>	<u>2007</u>
Healthcare GA Foundation	\$ -	\$ 185,449
Care Giver	-	58,000
Regional Program of Excellence	-	50,000
Monroe County Hospital	-	47,803
Houston Healthcare	274,289	371,577
First Choice Primary Care	121,246	-
Other Programs	30,036	44,717
Total	<u>\$ 425,571</u>	<u>\$ 757,546</u>

**NOTE 5 – RETIREMENT PLAN**

The organization adopted a 403(b) retirement plan in fiscal year 2004. Full time employees with service are eligible for participation. The organization does not make matching contributions. There were no expenses for the fiscal year ended June 30, 2008.

**NOTE 6 – CLAIMS AND LITIGATION**

In the ordinary course of conducting business, the organization may become involved in lawsuits, administrative and other proceedings. The organization's attorney has advised that there are no known potential liabilities that will impair the organization's financial position as of the date of this report.



**GOVERNMENTAL REPORTS**

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J. Russell Lipford, Jr., C.P.A.  
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Kevin E. Lipford, C.P.A.

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Truman W. Clifton (1902-1989)

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

Board of Directors  
Health Care Central Georgia, Inc.  
Forsyth, Georgia

We have audited the financial statements of Health Care Central Georgia, Inc. (a non-profit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated August 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Health Care Central Georgia, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Health Care Central Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Health Care Central Georgia's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



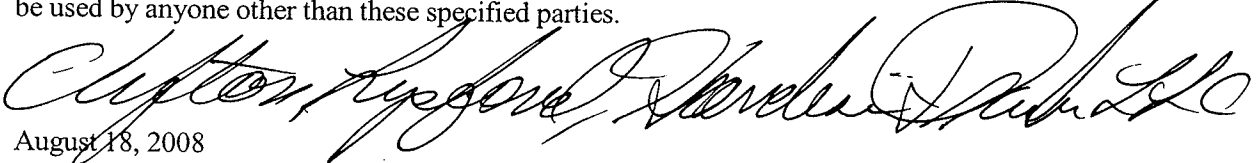
Board of Directors  
Health Care Central Georgia, Inc.  
August 18, 2008  
Page Two

Compliance and Other Matters

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

We noted certain matters that we reported to management of Health Care Central Georgia, Inc. in a separate letter dated August 18, 2008.

This report is intended solely for the information and use of the audit committee, management, and the Board of Directors of Health Care Central Georgia, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

A large, stylized handwritten signature in black ink, appearing to read "Clayton R. Gordon".

August 18, 2008  
Macon, Georgia

