

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 |
| <u>Net Assets:</u> | | |
| Unrestricted | 444,294 | 404,301 |
| | 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 |
| Total Expenses | \$ 1,542,713 | \$ 28,474 | \$ 1,571,187 | \$ 1,549,101 |

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.