

ACCESS CARROLL, INC.
FINANCIAL STATEMENTS
JUNE 30, 2008

Randall L. Snyder, CPA
Old Frederick Road
Marriottsville, MD
Phone/Fax (410) 442-2002

Table of Contents

	Page
Independent Auditor's Report	1
Financial Statements	
Statement of Assets, Liabilities and Net Assets- Modified Cash Basis	2
Statement of Revenues, Expenses and Change In Net Assets -- Modified Cash Basis	3
Statement of Functional Expenses - Modified Cash Basis	4
Statement of Cash Flows - Modified Cash Basis	5
Notes to Financial Statements	6-10

RANDALL L. SNYDER
CERTIFIED PUBLIC ACCOUNTANT
MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
12395 OLD FREDERICK ROAD
MARRIOTTSVILLE, MARYLAND 21104

PHONE / FAX 410-442-2002

INDEPENDENT AUDITOR'S REPORT

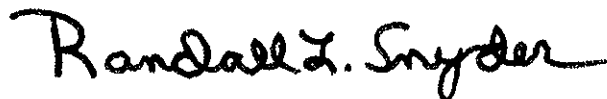
To the Board of Directors
Access Carroll, Inc.
Westminster, Maryland

I have audited the accompanying statement of assets, liabilities and net assets – modified cash basis of Access Carroll, Inc. (a nonprofit organization) as of June 30, 2008 and the related statements of revenues, expenses and changes in net assets – modified cash basis, functional expenses – modified cash basis, and cash flows-modified cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 significant estimates made by the management, as well as evaluating the overall financial statement presentation. I believe my audit provide a reasonable basis for my opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Access Carroll, Inc. as of June 30, 2008 and the changes in its revenues, expenses, changes in net asset, functional expenses, and cash flows for the year then ended on the modified cash basis of accounting as described in Note 1.



Marriottsville, MD 21104
November 11, 2008

ACCESS CARROLL, INC.

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS

June 30, 2008

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	100,198
Total current assets		<u>100,198</u>

PROPERTY AND EQUIPMENT

-less accumulated depreciation of \$15,559		21,739
--	--	--------

OTHER ASSETS

Security Deposit		<u>2,281</u>
------------------	--	--------------

Total Assets	\$	<u><u>124,218</u></u>
--------------	----	-----------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll taxes payable	\$	5,114
Obligation under capital lease		<u>840</u>
Total current liabilities		5,954

LONG TERM LIABILITIES

Obligation under capital lease		2,031
--------------------------------	--	-------

NET ASSETS

Unrestricted		25,540
Temporarily restricted		90,693
Permanently restricted		<u>-</u>
		<u>116,233</u>

Total Liabilities and Net Assets	\$	<u><u>124,218</u></u>
----------------------------------	----	-----------------------

See accompanying notes to financial statements.

ACCESS CARROLL, INC.
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS

For the Year Ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues			
Donations	\$ 38,673	\$ -	\$ 38,673
Grants	1,000	239,325	240,325
Special events	46,077	-	46,077
Other income	1,231	-	1,231
Net assets released from restrictions (note 2)			
Satisfaction of purpose restrictions	167,944	(167,944)	-
Interest	2,670	-	2,670
	<u>257,595</u>	<u>71,381</u>	<u>328,976</u>
Expenses			
Program services	278,426	-	278,426
Management and general	17,523	-	17,523
	<u>295,949</u>	<u>-</u>	<u>295,949</u>
CHANGE IN NET ASSETS	(38,354)	71,381	33,027
Net assets - Beginning of year	<u>63,894</u>	<u>19,312</u>	<u>83,206</u>
Net assets - End of year	\$ <u><u>25,540</u></u>	\$ <u><u>90,693</u></u>	\$ <u><u>116,233</u></u>

See accompanying notes to financial statements

ACCESS CARROLL, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

For the Year Ended June 30, 2008

	Program Services	Management and General	Total
Advertising	\$ 1,662	\$ -	\$ 1,662
Cleaning, repairs and maintenance	857	95	952
Contracted services	10,899	-	10,899
Employee benefits	5,812	-	5,812
Insurance	1,636	701	2,337
Interest	218	24	242
Medical Supplies	2,175	-	2,175
Miscellaneous	4,747	528	5,275
Office/Postage	11,050	1,228	12,278
Parking	2,182	-	2,182
Payroll taxes	8,768	974	9,742
Pharmaceuticals	37,090	-	37,090
Professional fees	14,093	-	14,093
Salaries and wages	113,429	9,029	122,458
Special events	17,242	-	17,242
Telephone	3,283	365	3,648
Utilities	2,322	258	2,580
Occupancy	30,568	3,397	33,965
Volunteer and staff appreciation	2,076	-	2,076
Depreciation and amortization	8,317	924	9,241
Total expenses	\$ <u>278,426</u>	\$ <u>17,523</u>	\$ <u>295,949</u>

See accompanying notes to financial statements.

ACCESS CARROLL, INC.
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
For the Year Ended June 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Public Support and Revenue	\$ 330,081
Cash Paid to Vendors and Employees	<u>(285,590)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>44,491</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	<u>(4,590)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(4,590)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Obligation under Capital Lease	<u>(840)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>(840)</u>
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 <u>39,061</u>
 Cash at beginning of year	 61,137
 Cash at end of year	 \$ <u><u>100,198</u></u>
 RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH	
 Change in net assets	 \$ 33,027
Adjustments to Reconcile Net Cash Used in Operating Activities:	
Depreciation and amortization	9,241
Increase in Payroll Taxes Payable	<u>2,223</u>
	11,464
 NET CASH USED IN OPERATING ACTIVITIES	 \$ <u><u>44,491</u></u>

See accompanying notes to financial statements.

ACCESS CARROLL, INC.

Notes to Financial Statements

June 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Organization, Nature of Activities and Income Taxes

Access Carroll, Inc. (Organization), a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation, was formed for the purpose of providing free health care to the uninsured. The Organization is supported primarily through donor contributions, grants and fund-raising activities. Approximately 70% of the Organization's support came from grants. The Organization is exempt from federal and state income taxes.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis, certain revenues and related assets are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Consequently, the Organization has not recognized pledges receivable from donors, accounts payable to vendors, and their related effects on the change in net assets on the accompanying financial statements.

Donations and Grants

Donations and grants that are restricted by the donor or grantor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the donation or grant is received. All other donor-restricted donations and grantor-restricted receipts are reported as increased in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash Balances

The Organization maintains its cash balance with financial institutions located in Westminster, Maryland. These balances are insured by the Federal Deposit Insurance Corporation up to \$100,000.

ACCESS CARROLL, INC.

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost or estimated fair market value if donated. It is the Organization's policy to capitalize expenditures on donated property and equipment in excess of \$500. Lesser amounts are expenses. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is computed using the straight-line method based on the estimated useful lives of the asset or the life of the lease for leasehold improvements. Computer software costs are amortized on the straight-line basis over five years.

Financial Statement Presentation

The Organization reports information regarding its assets, liabilities, net assets, revenues and expenses according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

The Organization records contributions and sponsorships when they are received.

Donated Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fund-raising, program activities and special events. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received. At June 30, 2008, no amounts have been recognized in the statement of revenue, expenses and changes in net assets because the criteria for recognition under SFAS No. 116 have not been satisfied or the services donated are immaterial.

ACCESS CARROLL, INC.

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a natural basis in the statement of revenues, expenses and change in net assets. For the year ended June 30, 2008, approximately 94% of the Organization's expenses related to program services and 6% to management and general.

NOTE 2 – RESTRICTIONS ON NET ASSETS

The restrictions on net assets as of June 30, 2008 are related to funds received under grants.

Temporarily restricted net assets available for the following purposes or periods:

Community Asthma Education and Treatment Initiative	\$ 653
CareFirst Blue Cross Blue Shield – Pharmaceuticals, specialty care and transportation	70,000
Carroll County Commissioners grant – Front office management	228
Carroll County Health Department – Diabetes Today	1,800
Kaiser grant – Health education/diabetic supplies	1,735
MCHRC grant – Access to care services	9,464
Quality Health Foundation grant – Medication coordinator/Medical director	3
Weinberg grant – general operations	<u>6,810</u>
	<u>\$ 90,693</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Purpose restriction accomplished:	
Community Asthma Education and Treatment Initiative grant	\$ 3,347
Carroll County Commissioners grant	26,525
Kaiser grant	9,752
MCHRC grant	48,126
Quality Health Foundation grant	30,000
Weinberg grant	<u>53,194</u>
Total restrictions released	<u>\$ 170,944</u>

ACCESS CARROLL, INC.

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>Life</u>	
Equipment	3-7 years	\$15,536
Furniture	5 years	10,300
Leasehold improvement-cabinets	5 years	2,547
Computer software	5 years	<u>8,915</u>
		37,298
Less -- accumulated depreciation		<u>(15,559)</u>
		<u>\$21,739</u>

NOTE 4 – LEASE COMMITMENTS

The Organization conducts its operations from a leased facility. The Organization entered into a non-cancelable 5 year operating lease commencing November 1, 2004 and expiring October 31, 2009. The monthly rent expenses increase 3% per annum. The tenant has the option to renew the lease for an additional five year period. Rent paid during the year ended June 30, 2008 was \$29,841. There is no unpaid rent for the year ended June 30, 2008.

Future minimum lease payments under the operating lease as of June 30, 2008 are as follows:

<u>Year ended June 30,</u>	<u>Amount</u>
2009	30,512
2010	10,270

The Organization leased a copier for a five year period commencing November 20, 2006 and ending November 20, 2011. The lease is recorded as a capital lease for financial statement purposes. The lease stipulates a monthly payment of \$92. The copier is being depreciated over five years on a straight-line basis. Depreciation expense of the copier amounts to \$840 for the year ended June 30, 2008.

Future minimum lease payments under the capital lease as of June 30, 2007 are as follows:

<u>Year ended June 30,</u>	<u>Amount</u>
2009	1,104
2010	1,104
2011	1,104
2012	<u>460</u>
	3,772
Less -- amount representing interest	<u>(925)</u>
Net amount	<u>\$2,847</u>

ACCESS CARROLL, INC.

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 5 – CONCENTRATION OF CREDIT RISK

The Organization's financial instruments that are exposed to concentrations of credit risk consist principally of cash. The Organization places its cash with high credit quality institutions. At times such amounts may be in excess of the FDIC insurance limits. At June 30, 2008, no amounts were in excess of the FDIC insurance limits.

NOTE 6 – COMMITMENTS

The Organization has entered into a contract to evaluate a special campaign intended to raise \$1 million to help to expand the program, services and facilities of the Organization and to begin building an endowment to support future growth. The contract is in the amount of \$11,600. As of June 30, 2008, the Organization has spent \$3,954.

NOTE 7 – SUBSEQUENTS EVENTS

Effective October 14, 2008 through December 31, 2009, the FDIC insurance limit is \$250,000.