

Georgia Partnership for Telehealth, Inc.

Waycross, Georgia

Financial Statements
(Unaudited)

For the Six Months Ended
December 31, 2008

Georgia Partnership for Telehealth, Inc.
Waycross, Georgia
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Spivey & Company, CPA's, P.C.
Certified Public Accountants

Earl Spivey, CPA
Terry E. Spivey, CPA

P.O. Box 1721
711 Hicks Street
Waycross, GA 31502
Office (912) 283-3903

January 26, 2009

To the Board of Directors of
Georgia Partnership for Telehealth, Inc.
1718 Reynolds Street, Suite 100
Waycross, GA 31501

We have compiled the accompanying Statement of Financial Position of the Georgia Partnership for Telehealth, Inc., a Nonprofit Corporation, and the related Statements of Activities and Cash Flows for the six months ended December 31, 2008, and in accordance with statements on Standards for Accounting and Review Services established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements that is the representation of management. We have not audited or reviewed the financial statements and accordingly, we do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Accordingly, these financial statements were not designed for those who are not informed about such matters.

Spivey & Company
Spivey & Company, CPA's, P.C.

Georgia Partnership for Telehealth, Inc.

Statement of Financial Position

December 31, 2008

(Unaudited)

Assets

Current Assets

Cash in Bank	\$	321,392.88
Investments-Certificates of Deposit		1,250,000.00
Accounts Receivable		169,344.43
Accrued Interest Receivable		5,031.85
Prepaid Items		10,209.88

Total Current Assets 1,755,979.04

Property and Equipment

Office Equipment		14,957.53
Less: Accumulated Depreciation		(1,495.75)

Total Property and Equipment 13,461.78

Total Assets \$ 1,769,440.82

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$	1,692.12
Payroll Taxes Payable		599.68
Other Payables		822.43
Accrued Expenses		0.00

Total Current Liabilities 3,114.23

Total Liabilities 3,114.23

Net Assets

Unrestricted		<u>1,766,326.59</u>
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Total Net Assets 1,766,326.59

Total Liabilities & Net Assets \$ 1,769,440.82

See Accountant's Compilation Report.

Georgia Partnership for Telehealth, Inc.

Statement of Activities

For the six months ended December 31, 2008

(Unaudited)

Revenues, Gains, and Other Support

Contributions	\$	2,194,836.32
Government Grants		67,229.00
Client Fees		30,713.27
Investment Earnings		20,189.32
Total Revenues, Gains, and Other Support		<u>2,312,967.91</u>

Expenses

Salaries		252,178.10
Employee Taxes/Benefits		33,121.43
Travel		43,212.27
Insurance		1,487.00
Telecommunication Costs		87,537.74
Office Expenses		13,945.97
Legal and Accounting		21,083.59
Client Equipment/Software		89,136.93
Consulting		2,862.50
Depreciation		1,495.75
Other		580.04
Total Expenses		<u>546,641.32</u>
Change in Net Assets		<u>1,766,326.59</u>

Beginning Net Assets 0.00

Ending Net Assets 1,766,326.59

See Accountants Compilation Report.

Georgia Partnership for Telehealth, Inc.

Statement of Cash Flows

For the six months ended December 31, 2008

(Unaudited)

Cash Flows from operating activities

Change in Net Assets	\$ 1,766,326.59
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	1,495.75
Receivables	(174,376.28)
Prepaid Items	(10,209.88)
Payables/Accrued Expenses	3,114.23
Total Adjustments	(179,976.18)
Net Cash provided by Operations	1,586,350.41

Cash Flows from investing activities

Used For	
Investments-Cert of Deposit	(1,250,000.00)
Equipment	(14,957.53)
Net cash used in investing	(1,264,957.53)

Cash Flows from financing activities

Proceeds From	
Used For	
Net cash used in financing	0.00
Net increase <decrease> in cash	\$ 321,392.88

Summary

Cash Balance at End of Period	\$ 321,392.88
Cash Balance at Beg of Period	0.00
Net Increase <Decrease> in Cash	\$ 321,392.88

See Accountant's Compilation Report.

Georgia Partnership for Telehealth, Inc.

Waycross, Georgia

Financial Statements
(Unaudited)

For the Year Ended
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P.O. Box 1721
711 Hicks Street
Waycross, GA 31502
Office (912) 283-3903

January 19, 2010

To the Board of Directors of
Georgia Partnership for Telehealth, Inc.
1718 Reynolds Street, Suite 100
Waycross, GA 31501

We have compiled the accompanying Statement of Financial Position of the Georgia Partnership for Telehealth, Inc., a Nonprofit Corporation, and the related Statements of Activities and Cash Flows for the year ended December 31, 2009, and in accordance with statements on Standards for Accounting and Review Services established by the American Institute of Certified Public Accountants.

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Spivey & Company
Spivey & Company, CPA's, P.C.

Georgia Partnership for Telehealth, Inc.

Statement of Financial Position

December 31, 2009

(Unaudited)

Assets

Current Assets

Cash in Bank	\$	556,821.52
Investments-Certificates of Deposit		509,371.35
Accounts Receivable		48,436.07
Grant Receivable		111,776.00
Accrued Interest Receivable		1,539.16
Prepaid Items		1,850.00

Total Current Assets 1,229,794.10

Property and Equipment (net of depreciation) 10,470.30

Total Property and Equipment 10,470.30

Other Assets

Total Other Assets 0.00

Total Assets \$ 1,240,264.40

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$	4,147.14
Payroll Taxes Payable		62.93
Other Payables		1,905.69
Accrued Expenses		0.00

Total Current Liabilities 6,115.76

Total Liabilities 6,115.76

Net Assets

Unrestricted 1,234,148.64

Total Net Assets 1,234,148.64

Total Liabilities & Net Assets \$ 1,240,264.40

See Accountant's Compilation Report.

Georgia Partnership for Telehealth, Inc.

Statement of Activities

For the Year ended December 31, 2009

(Unaudited)

Revenues, Gains, and Other Support	
Grants	\$ 343,728.12
Usage Fees	198,610.45
Equipment Sales	54,090.65
Software Sales	3,678.16
Maintenance Agreements	9,080.83
Other	90,429.93
Investment Earnings	20,443.42
Total Revenues, Gains, and Other Support	<u>720,061.56</u>
Expenses	
Cost -Equipment/Software	318,347.23
Professional Fees	21,605.10
Office Supplies	6,723.20
Rent - Office	10,000.00
Office Telephone	2,905.63
Internet Charges	12,953.38
Telecommunication Charges	171,579.03
Cellphone Reimbursement	4,650.00
Liability Insurance	7,945.48
Group Health Insurance	4,660.90
Life Insurance	5,763.58
Worker Compensation Insurance	4,583.00
Salaries	511,213.45
Payroll Taxes	41,228.11
Repairs/Maintenance	1,965.80
Office Equipment Lease	3,227.87
Miscellaneous	2,780.40
Travel - Meals, Mileage, Lodging, etc	81,245.87
Depreciation	2,991.48
Outside Consulting - Technical	23,870.00
Lease - Archbold	12,000.00
Total Expenses	<u>1,252,239.51</u>
Change in Net Assets	<u>(532,177.95)</u>
Beginning Net Assets	<u>1,766,326.59</u>
Ending Net Assets	<u><u>1,234,148.64</u></u>

See Accountants Compilation Report.

Georgia Partnership for Telehealth, Inc.

Statement of Cash Flows

For the Year ended December 31, 2009

(Unaudited)

Cash Flows from operating activities	
Change in Net Assets	\$ (532,177.95)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	2,991.48
Receivables	12,625.05
Prepaid Items	8,359.88
Inventory	0.00
Payables/Accrued Expenses	3,001.53
Total Adjustments	26,977.94
Net Cash provided by Operating Activities	(505,200.01)
Cash Flows from investing activities	
Investments-Cert of Deposit	(259,371.35)
Equipment	0.00
Net Cash used by Investing Activities	(259,371.35)
Cash Flows from Financing Activities	
Net cash used in Financing Activities	0.00
Net Increase (Decrease) in Cash & Cash Equivalents	\$ (764,571.36)
Beginning Cash & Cash Equivalents	1,321,392.88
Ending Cash & Cash Equivalents	\$ 556,821.52

See Accountant's Compilation Report.