

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, INC.

FINANCIAL STATEMENTS

June 30, 2023

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	2
FINANCIAL STATEMENTS	
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis	4
Statement of Revenues, Expenses, and Changes in Net Assets – Modified Cash Basis	5
Statement of Functional Expenses – Modified Cash Basis	6
Statement of Cash Flows – Modified Cash Basis	7
Notes to Financial Statements	8

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Buffalo County Community Health Partners, Inc.
Kearney, Nebraska

Opinion

We have audited the accompanying financial statements of Buffalo County Community Health Partners, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of June 30, 2023, and the related statement of support, revenue and expenses – modified cash basis, statement of functional expenses – modified cash basis, and statement of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Buffalo County Community Health Partners, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note A.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Buffalo County Community Health Partners, Inc. and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note A, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Buffalo County Community Health Partners, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Buffalo County Community Health Partners, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

AMGL PC

Grand Island, Nebraska
November 6, 2023

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
June 30, 2023

CURRENT ASSETS	
Cash and cash equivalents (notes A5 and B)	\$ 354,198
PROPERTY AND EQUIPMENT - AT COST (note A7)	
Furniture and equipment	43,839
Less accumulated depreciation	<u>(29,212)</u>
	14,627
OTHER ASSETS	
Investment in endowment (notes A8 and C)	<u>402,966</u>
TOTAL ASSETS	<u><u>\$ 771,791</u></u>
CURRENT LIABILITIES	
Credit card payable	\$ 6,755
Payroll taxes withheld	1,448
Other payroll withholding	<u>797</u>
Total current liabilities	9,000
NET ASSETS	
Net assets without donor restrictions	475,529
Net assets with donor restrictions (note D)	<u>287,262</u>
Total net assets	<u><u>762,791</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 771,791</u></u>

See notes to financial statements.

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, LLC**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - MODIFIED CASH BASIS****For the Year Ended June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Annual campaign contributions	\$ 35,956	\$ -	\$ 35,956
Foundation contributions	41,410	25,550	66,960
Business and individual contributions	14,608	20,254	34,862
Kearney Public Schools	9,000	-	9,000
Region III Behavioral Health	201,219	-	201,219
CHI Good Samaritan	67,500	-	67,500
Center for Rural Affairs	7,911	-	7,911
Nebraska Children and Families Foundation	672,091	-	672,091
KearneyWorks	-	72,704	72,704
Medica Foundation	-	10,000	10,000
Other donations and grants (including non-cash)	48,116	-	48,116
Education programs	2,840	-	2,840
Net investment income (note C)	34,764	-	34,764
Loss on disposal of assets	(349)	-	(349)
Other revenue	2,930	-	2,930
Total public support and other revenues	1,137,996	128,508	1,266,504
Satisfaction of restrictions (note D)	47,215	(47,215)	-
Total revenues	1,185,211	81,293	1,266,504
EXPENSES			
Program services	1,116,824	-	1,116,824
General and administrative	17,342	-	17,342
Fundraising	17,337	-	17,337
Total expenses	1,151,503	-	1,151,503
INCREASE IN NET ASSETS	33,708	81,293	115,001
Net assets, beginning of year	441,821	205,969	647,790
Net assets, end of year	<u>\$ 475,529</u>	<u>\$ 287,262</u>	<u>\$ 762,791</u>

See notes to financial statements.

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, LLC

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

For the Year Ended June 30, 2023

	Program Services				
	Substance Abuse Prevention	Early Childhood	Community Well-being	Behavioral Health	Food Security
Salaries	\$ 102,232	\$ 38,287	\$ 107,076	\$ 9,780	\$ 12,883
Payroll taxes	7,771	2,933	8,159	765	1,000
Fringe benefits	7,417	3,643	7,539	934	1,295
Marketing/media	17,833	-	3,220	-	-
Bank fees	-	-	-	-	-
Sales tax	127	49	-	-	-
Contract services	946	24,628	35,178	-	-
Depreciation	-	-	-	-	-
Dues and subscriptions	250	161	2,769	-	-
Insurance	-	-	-	-	-
Meals, snacks	58	4,814	7,476	-	-
Miscellaneous	-	-	-	-	-
Office expense	7,070	3,527	7,842	84	250
Postage	-	-	-	-	-
Professional fees	800	-	650	-	-
Rent (note E)	700	451	1,550	450	100
Board, staff training	420	1,050	470	-	-
Supplies	7,767	547	2,884	-	350
Telephone	1,400	-	1,050	-	-
Grants	38,867	203,895	127,656	1,000	4,169
Travel	1,387	4,378	2,104	9	24
Internet	292	-	410	-	-
Total	\$ 195,337	\$ 288,363	\$ 316,033	\$ 13,022	\$ 20,071

See notes to financial statements.

Program Services					
Community Facilitation and Grants	Assessments	Total Program Services	Fundraising	General and Administrative	Total Expenses
\$ 153,695	\$ 30,739	\$ 454,692	\$ 10,246	\$ 10,246	\$ 475,184
11,596	2,319	34,543	773	773	36,089
12,988	2,598	36,414	866	866	38,146
304	61	21,418	20	20	21,458
704	141	845	47	47	939
317	63	556	21	21	598
976	195	61,923	65	65	62,053
1,756	1,756	3,512	1,756	1,756	7,024
2,598	520	6,298	173	173	6,644
2,717	543	3,260	181	181	3,622
1,053	211	13,612	70	70	13,752
418	84	502	28	33	563
1,845	369	20,987	123	123	21,233
69	14	83	5	5	93
5,853	1,171	8,474	390	390	9,254
22,078	4,416	29,745	1,472	1,472	32,689
114	23	2,077	8	8	2,093
9,397	1,879	22,824	626	626	24,076
788	158	3,396	53	53	3,502
2,211	442	378,240	147	147	378,534
2,480	496	10,878	165	165	11,208
1,536	307	2,545	102	102	2,749
\$ 235,493	\$ 48,505	\$ 1,116,824	\$ 17,337	\$ 17,342	\$ 1,151,503

See notes to financial statements.

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, LLC

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 115,001
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	7,024
Unrealized gain on investments	(35,183)
Loss on disposal of assets	349
Decrease in:	
Credit card payable	(18,760)
Accrued payroll taxes and withholdings	<u>(625)</u>
Net cash provided by operating activities	67,806

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(10,899)
Sale of investments	<u>17,589</u>
Net cash provided by investing activities	<u>6,690</u>
Net increase in cash and cash equivalents	74,496

Cash and cash equivalents at beginning of year 279,702

Cash and cash equivalents at end of year \$ 354,198

SUPPLEMENTAL DISCLOSURES:

Noncash transactions:

 Donated supplies and services received by the Organization \$ 41,561

See notes to financial statements.

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Nature of Operations

Buffalo County Community Health Partners, Inc. is a nonprofit corporation created to enhance the quality of life of the residents of Buffalo County through collaboration, problem solving, resource linkage, education, and communication directed towards improving the wellness of individuals and the community.

2. Basis of Accounting

Buffalo County Community Health Partners, Inc.'s policy is to prepare its financial statements on the modified cash basis of accounting. Under this method, revenues are recognized in the year received, and all expenses are recognized in the year paid. Furniture and equipment are capitalized in the year purchased and depreciated over the estimated useful lives. Payroll taxes withheld and other payroll withholding are reported as liabilities. Right-of-use assets and related lease liabilities as defined by FASB Accounting Standards Codification (ASC) 842, *Leases* are not reflected in the accompanying modified cash basis financial statements.

3. Financial Statement Presentation

Under Statement of Financial Accounting Standards Codification regarding "*Financial Statements of Not-for-Profit Organizations*," Buffalo County Community Health Partners, Inc. is required to report information regarding its financial position and activities according to two classes of net assets (net assets with donor restrictions and net assets without donor restrictions) based upon the existence or absence of donor-imposed restrictions.

4. Income Taxes

Buffalo County Community Health Partners, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is reflected in the financial statements.

As of June 30, 2023, the Organization's Federal Exempt Organization Income Tax Returns (Form 990) for the years ended June 30, 2022, 2021, and 2020 are subject to examination by the IRS.

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Cash and Cash Equivalents

For purposes of the statement of cash flows, Buffalo County Community Health Partners, Inc. considers all highly liquid debt instruments purchased with a maturity of three months or less, with the exception of assets whose use is limited or restricted, to be cash equivalents.

6. Contributions

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in the SFAS Codification regarding *Accounting for Contributions Received and Contributions Made*. In accordance with the SFAS Codification, contributions received are recorded as net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as support without donor restrictions 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 or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donor contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

7. Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Major improvements are capitalized, while replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are charged to expense as incurred. Donations of property and equipment are recorded as contributions at their estimated fair market value on date of receipt.

Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets as follows:

Furniture and equipment	5-10 years
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8. Investments

Investments are stated at fair market value (FMV). Money market accounts and certificates of deposit are reflected at their account balance or face value; corporate stocks and bonds, U.S. government obligations, and mutual funds are stated at quoted market price. Unrealized gains and losses are included in net assets.

9. Revenue Recognition

The Organization's main sources of revenue consist of contributions, grants, and education program receipts. Contributions, grants, fundraising income and education program income are recognized as revenues in the period received in accordance with the modified cash basis of accounting.

10. Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of functional expenses. The financial statements report certain expenses that are attributable to program service, fundraising and administrative functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated on a basis of estimates of time and effort determined by management.

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

11. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - CASH AND CASH EQUIVALENTS

Cash and interest-bearing deposits are composed of the following:

<u>Depository</u>	<u>2023</u>
First National Bank	\$ 303,829
Five Points Bank	<u>50,369</u>
	<u>\$ 354,198</u>

NOTE C – INVESTMENT IN ENDOWMENT

Fair values of assets are measured based on the level of evidence available to support the fair value. FASB Standards Codification identifies three levels of fair value measurements.

Level 1 – Based on quoted prices in active markets for identical assets

Level 2 – Based on significant other observable inputs

Level 3 – Based on significant unobservable inputs.

All investments for the year ended June 30, 2023 are presented at fair value using Level 1 evidence.

The endowment funds are held under the control of the Organization’s board of directors at the Kearney Area Community Foundation (KACF) and are invested in accordance with the policies of the KACF. The endowment funds are pooled with funds of other agencies managed by KACF, and investment strategy designed to reduce management and investment fees incurred and to increase the rate of return on invested funds. Distributions from the fund are determined annually and limited to 5 percent of the fund balance, including principal and net investment earnings.

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2023

NOTE C – INVESTMENT IN ENDOWMENT, continued

Endowment funds are composed of the following at June 30:

	2023		Total
	Without Donor Restrictions	With Donor Restrictions	
Endowed original gifts	\$ -	\$ 188,232	\$ 188,232
Accumulated investment income	214,734	-	214,734
	<u>\$ 214,734</u>	<u>\$ 188,232</u>	<u>\$ 402,966</u>

Changes in investment in endowment for the year ended June 30, 2023 are as follows:

	2023		Total
	Without Donor Restrictions	With Donor Restrictions	
Investment in endowment - beginning of year	\$ 197,139	\$ 188,232	\$ 385,371
Unrealized gain on investments	35,183	-	35,183
Distributions	(13,241)	-	(13,241)
Investment administrative fees	(4,347)	-	(4,347)
Investment in endowment - end of year	<u>\$ 214,734</u>	<u>\$ 188,232</u>	<u>\$ 402,966</u>

Investment income consisted of the following for the year ended June 30:

	2023
Unrealized gain on investments	\$ 35,183
Investment management fees	(4,347)
Interest income	3,928
	<u>\$ 34,764</u>

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2023

NOTE D – NET ASSETS RESTRICTED BY DONOR

Net assets with donor restrictions are available for the following purposes at June 30, 2023:

	<u>2023</u>
Business and individual contributions - restricted for food/mental health	\$ 4,973
Circle of Security program	9,700
Suicide prevention, mental health programs	18,481
Employment assistance	65,876
	<u>\$ 99,030</u>

The Organization also maintains net assets totaling \$188,232 subject to donor-imposed stipulations that they be maintained permanently. Income generated from the investments is permitted to be used for general purposes.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows for the year ended June 30, 2023:

	<u>2023</u>
Mental health therapy services	\$ 6,482
Food/mental health programs	26,910
Circle of Security program	300
Employment assistance	6,827
Suicide prevention, mental health programs	1,774
Other Organization programs	4,922
Total	<u>\$ 47,215</u>

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2023

NOTE E - COMMITMENTS

The Organization entered into a copier lease with Eakes Office Solutions on November 10, 2021. The lease calls for monthly payments of \$173.07 for 60 months.

Future minimum lease payments are as follows for the years ending June 30:

2024	\$ 2,077
2025	2,077
2026	2,077
2027	692
	<u>\$ 6,923</u>

Total rent expense for the year ended June 30, 2023 was \$32,689.

NOTE F- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2023 reduced by amounts not available for general use because of donor-imposed restrictions. Financial assets consist of cash and cash equivalents and investments.

Financial assets, at June 30,	<u>2023</u> <u>\$757,164</u>
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Business and individual contributions - restricted for food/mental health	(4,973)
Circle of Security program	(9,700)
Suicide prevention, mental health programs	(18,481)
Employment assistance	(65,876)
Endowed investments	<u>(188,232)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$469,902</u>

BUFFALO COUNTY COMMUNITY HEALTH PARTNERS, INC.

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2023

NOTE F– LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS, continued

As part of its liquidity management, the Organization has a goal to maintain six months of normal operating expense. At June 30, 2023, the Organization had financial assets on hand to meet 4.9 months of general operating expenses based on actual expenditures for the year ended June 30, 2023.

NOTE G – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 6, 2023, the date on which the financial statements were available for issue.