

Village Health Partnership

Financial Statements

December 31, 2021 and 2020



Table of Contents

	Page
Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

Independent Auditor's Report

The Board of Directors
Village Health Partnership

Opinion

We have audited the accompanying financial statements of Village Health Partnership (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Village Health Partnership as of December 31, 2021, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 Village Health Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Village Health Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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, including omissions, 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 Village Health Partnership'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 Village Health Partnership'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.

Haysie & Company

Littleton, Colorado
November 21, 2022

Village Health Partnership
Statement of Financial Position
December 31, 2021

Assets

Current Assets:

Cash and equivalents	\$ 575,860
Receivable - related party	<u>1,120</u>
Total Current Assets	<u>\$ 576,980</u>

Liabilities

\$ -

Net Assets

Without donor restrictions	536,442
With donor restrictions	<u>40,538</u>
Total Net Assets	<u>576,980</u>
	<u>\$ 576,980</u>

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

Village Health Partnership
Statement of Activities
For the Year Ended December 31, 2021

	Without Restrictions	With Restrictions	Total
Revenues, Gains and Other Support :			
Contribution:			
Foundations	\$ 188,297	\$ 101,252	\$ 289,549
Individuals	49,355	1,000	50,355
	237,652	102,252	339,904
Investment earnings	42	-	42
Net assets released from restrictions: restrictions satisfied by payments	92,476	(92,476)	-
Total revenues, gains and other support	330,170	9,776	339,946
 Expenses:			
Program services - Ethiopia	231,642	-	231,642
Management and general	11,282	-	11,282
Fundraising	19,134	-	19,134
Total Expenses	262,058	-	262,058
Increase in net assets	68,112	9,776	77,888
Net Assets, Beginning of Period	468,330	30,762	499,092
Net Assets, End of Period	\$ 536,442	\$ 40,538	\$ 576,980

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

Village Health Partnership
Statement of Functional Expenses
For the Year Ended December 31, 2021

	<u>Program Activities</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Direct program costs:				
Building & structures	\$ 85,402	\$ -	\$ -	\$ 85,402
Health care research	38,172	-	-	38,172
Health care treatment	78,955	-	-	78,955
Education and training	29,113	-	-	29,113
	<u>231,642</u>	<u>-</u>	<u>-</u>	<u>231,642</u>
U.S. Administration:				
Salaries	-	4,130	-	4,130
Accounting	-	1,654	-	1,654
Insurance	-	1,306	-	1,306
Payroll taxes	-	387	-	387
Bank and wire transfer fees	-	1,234	-	1,234
Other	-	2,571	-	2,571
	<u>-</u>	<u>11,282</u>	<u>-</u>	<u>11,282</u>
Fundraising - professional fees	<u>-</u>	<u>-</u>	<u>19,134</u>	<u>19,134</u>
	<u>\$ 231,642</u>	<u>\$ 11,282</u>	<u>\$ 19,134</u>	<u>\$ 262,058</u>

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

Village Health Partnership
Statement of Cash Flows
For the Year Ended December 31, 2021

Cash flows from operating activities	
Increase in net assets	\$ 77,888
Adjustments to reconcile increase in net assets to net cash provided by operations:	
Increase in receivable from related party	(1,120)
Net cash provided by operating activities	<u>76,768</u>
Cash flows from (used by) investing activities	-
Cash flows from (used by) financing activities	<u>-</u>
Net increase in cash and equivalents	76,768
Cash and equivalents and restricted cash —beginning of period	<u>499,092</u>
Cash and equivalents and restricted cash —end of period	<u>\$ 575,860</u>
Supplemental information:	
Interest paid	<u>\$ -</u>
Income taxes	<u>\$ -</u>

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

Village Health Partnership

Notes to Financial Statements

December 31, 2021

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

Village Health Partnership (VHP) was founded to foster safer motherhood in rural Ethiopia. VHP is focused on the prevention of maternal/fetal death in childbirth and the treatment and prevention of gynecologic complications of childbirth through medical treatment and prevention programs, capacity building in healthcare facilities, and education and training of healthcare providers. The organization is supported primarily through donations and grants.

General and administrative activities include the functions necessary to provide support for the organization's program activities. General and administrative activities include those that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, and similar activities.

Fundraising activities include maintaining donor lists; seeking grant funding; and other activities involved with soliciting contributions. Fundraising costs in 2021 include professional fees for grant writing assistance and upgrades to the website.

Since inception, the organization has relied heavily on volunteer time, especially from its Board members (including its founder), in carrying out its activities. Volunteers use their own equipment and VHP does not own any property or equipment and generally conduct VHP activities from their homes or offices, so that there is no occupancy expense.

Basis of Accounting

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in ASC 958-205, *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASC 958-205, the Organization reports information regarding its financial position and activities according to two classes of net assets: unrestricted by donors, and restricted by donors, as follows:

- *Without donor restrictions:* These are resources available to support general operations.
- *With donor restrictions:* These are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organization's unspent contributions, including grant proceeds, are classified in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from restricted to unrestricted net assets

All restricted net assets are expected to be used within the next year.

Cash Equivalents

The organization considers all highly liquid investments available for current use with an initial maturity of three months or less at the date of acquisition and money-market funds to be cash equivalents.

Village Health Partnership
Notes to Financial Statements (continued)
December 31, 2021

1. Nature of Activities and Significant Accounting Policies (continued)

Use of 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 in the financial statements. Actual results could differ from those estimates.

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 support, revenues, and expenses. Costs are allocated between program activities, management and general or fundraising based on the nature of the expense. Program expenses were entirely for programs in Ethiopia.

Tax Status

The organization is a not-for-profit organization exempt from income taxes under Section 501 (c) (3) of the Internal Revenue code and is classified by the Internal Revenue Service as other than a private foundation.

Management has determined that the organization does not have any uncertain tax positions and associated unrecognized assets or liabilities that materially impact the financial statements or related disclosures. Because the tax matters are subject to some degree of uncertainty, there can be no assurance that the organization's tax returns will not be challenged by the taxing authorities and that the organization will not be subject to additional tax, penalties, and interest as a result of such challenges. At present, open tax years subject to review encompass the years ending December 31, 2019 to 2021.

Subsequent Events

Management has evaluated subsequent events through November 21 2022, the date on which the financial statements were available to be issued.

2. Concentration of Credit Risk

Financial instruments that potentially subject the Partnership to a concentration of credit risk consist principally of cash accounts held at a bank. Balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Certain organization balances exceeded this limit throughout the year. A summary of accounts in excess of FDIC coverage is as follows at December 31, 2021:

<u>Bank</u>	<u>Bank Balance</u>	<u>Book Balance</u>	<u>FDIC Coverage</u>
A	\$ 463,528	\$ 430,478	\$ 250,000

Village Health Partnership
Notes to Financial Statements (continued)
December 31, 2021

3. Significant Grants and Contributions

During fiscal 2021, the Partnership received grants exceeding 10% of support as follows:

<u>Donor</u>	<u>2021</u>	<u>Purpose</u>
A	\$ 100,000	General support
B	\$ 45,510	Research

Approximately \$7,300 of the research grant was not used and was returned to the grantor.

4. Related Party Transactions

Certain Board members have used a significant amount of their own funds to administer the Partnership's programs, including considerable travel and related expenses to Ethiopia which are not included in the accompanying financial statements. Additionally, significant donated time is also not recorded because it does not meet specified criteria in ASC 958-205. Board member contributions, including two from officers amounting to \$40,000 are included in individual contributions.

The receivable of \$1,120 represents a temporary advance related to the 2021 Ethiopia trip and was repaid in 2022.

5. Liquidity

The following reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year-end	\$ 576,980
Less those unavailable for general expenditure within one year	<u>(40,538)</u>
	<u>\$ 536,442</u>

6. COVID-19

In 2020, the coronavirus known as COVID-19 was officially declared a pandemic and spread throughout the world disrupting global economies. The virus and its variants resulted in the closure of many businesses throughout the United States, and impacted many more. The ongoing effects of the virus on VHP operations cannot be determined.