



Financial Statements

Genesis Community Health, Inc.
(a nonprofit organization)
Years Ended May 31, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Genesis Community Health, Inc.
Garden City, Idaho

Opinion

We have audited the financial statements of Genesis Community Health, Inc., which comprise the statement of financial position as of May 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Genesis Community Health, Inc. as of May 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Genesis Community Health, Inc. and to meet our other 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.

Responsibilities of Management for the Financial Statements

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

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 Genesis Community Health, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, 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 Genesis Community Health, 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 Genesis Community Health, 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.

Report on Summarized Comparative Information

We have previously audited Genesis Community Health, Inc.'s May 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 7, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sorren CPAs P.C.

Meridian, Idaho
September 15, 2025

GENESIS COMMUNITY HEALTH, INC.
STATEMENTS OF FINANCIAL POSITION
May 31, 2025
With Comparative Totals for the Year Ended May 31, 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash	\$ 803,665	\$ 894,732
Grants and contributions receivable	12,395	171,873
Inventory	152,137	248,149
Deposit	<u>0</u>	<u>4,497</u>
Total Current Assets	968,197	1,319,251
Property and Equipment, net	<u>3,109,579</u>	<u>3,160,278</u>
Total Assets	<u>\$ 4,077,776</u>	<u>\$ 4,479,529</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 40,827	\$ 23,701
Accrued liabilities	38,502	38,491
Current portion of long-term debt	<u>24,598</u>	<u>23,324</u>
Total Current Liabilities	103,927	85,516
Long-Term Debt, net of current portion	<u>780,526</u>	<u>869,453</u>
Total Liabilities	884,453	954,969
Net Assets		
Without donor restrictions	2,892,954	3,215,869
With donor restrictions	<u>300,369</u>	<u>308,691</u>
Total Net Assets	<u>3,193,323</u>	<u>3,524,560</u>
Total Liabilities and Net Assets	<u>\$ 4,077,776</u>	<u>\$ 4,479,529</u>

See notes to financial statements.

GENESIS COMMUNITY HEALTH, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended May 31, 2025
With Comparative Totals for the Year Ended May 31, 2024

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and Other Support				
Contributed nonfinancial assets	\$ 379,224	\$ 243,141	\$ 622,365	\$ 951,021
Contributions	215,351		215,351	529,739
Foundations and corporate grants	419,236	283,535	702,771	1,490,748
Grants and contract revenue	15,263	25,000	40,263	11,415
Fundraising events, net	41,265		41,265	45,929
Other income	1,341		1,341	17,402
	1,071,680	551,676	1,623,356	3,046,254
Net assets released from restrictions	559,998	(559,998)	0	0
Total Revenue and Other Support	1,631,678	(8,322)	1,623,356	3,046,254
Expenses				
Program services				
Medical	1,129,962		1,129,962	1,453,068
Dental	212,660		212,660	207,130
Community health	142,615		142,615	118,797
Mental health	59,649		59,649	15,001
Capital campaign Caldwell building	58,086		58,086	103,915
Total Program Services	1,602,972	0	1,602,972	1,897,911
Support services				
Administration	305,433		305,433	317,202
Fundraising	46,188		46,188	79,026
Total Support Services	351,621	0	351,621	396,228
Total Expenses	1,954,593	0	1,954,593	2,294,139
Change in Net Assets	(322,915)	(8,322)	(331,237)	752,115
Net Assets				
Beginning of Year	3,215,869	308,691	3,524,560	2,772,445
End of Year	\$ 2,892,954	\$ 300,369	\$ 3,193,323	\$ 3,524,560

See notes to financial statements.

GENESIS COMMUNITY HEALTH, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended May 31, 2025

With Comparative Totals for the Year Ended May 31, 2024

	<u>Program Services</u>					<u>Administration</u>	<u>Fundraising</u>	<u>2025 Total</u>	<u>2024 Total</u>
	<u>Medical</u>	<u>Dental</u>	<u>Community Health</u>	<u>Mental Health</u>	<u>Caldwell Building</u>				
Contributed nonfinancial assets	\$ 664,305	\$ 0	\$ 33,570	\$ 0	\$ 0	\$ 28,635	\$ 2,413	\$ 728,923	\$ 1,105,870
Salaries and benefits	315,133	113,537	67,353	49,386	950	155,137	22,853	724,349	693,029
Depreciation	46,049	35,688	13,815	4,605		13,815	1,151	115,123	48,770
Occupancy	30,291	19,082	7,778	2,509	4,096	10,094	514	74,364	84,856
Professional fees	8,697	3,849	1,673	894	62	36,500	554	52,229	51,505
Interest	540	239	104	42	21,213	23,089	321	45,548	24,302
Payroll taxes	24,095	5,370	4,392	451		11,012	46	45,366	42,612
Advertising	3,391	1,859	732	186	26,177	3,664	8,797	44,806	18,257
Meeting and conferences	12,019	1,216	9,129	192	291	2,899	252	25,998	27,085
Medication and supplies	3,417	15,082	34	14	4,696	147	7	23,397	60,332
Travel	952	1,682	442	82		8,678	12	11,848	12,052
Office	1,932	5,049	666	287		875	2,559	11,368	60,758
Special events	1,456	644	280	112	336	2,491	2,591	7,910	50,136
Insurance	2,692	1,191	518	207		469	104	5,181	6,330
Other	14,993	8,172	2,129	682	265	7,928	4,014	38,183	8,245
Total Expenses	\$ 1,129,962	\$ 212,660	\$ 142,615	\$ 59,649	\$ 58,086	\$ 305,433	\$ 46,188	\$ 1,954,593	\$ 2,294,139

See notes to financial statements.

GENESIS COMMUNITY HEALTH, INC.
STATEMENTS OF CASH FLOWS
For the Year Ended May 31, 2025
With Comparative Totals For the Year Ended May 31, 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (331,237)	\$ 752,115
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	115,123	48,770
Changes in operating assets and liabilities:		
Grants and contributions receivable	159,478	(73,762)
Inventory	96,012	147,224
Deposit	0	250,000
Other current assets	4,497	(4,497)
Accounts payable	17,126	(55,809)
Accrued liabilities	<u>11</u>	<u>4,644</u>
Net Cash Provided (Used) by Operating Activities	61,010	1,068,685
Cash Flows From Investing Activities		
Purchase of property and equipment	(64,424)	(2,736,941)
Cash Flows From Financing Activities		
New borrowings of long-term debt	0	800,000
Principal payments on long-term debt	<u>(87,653)</u>	<u>(27,288)</u>
Net Cash Provided (Used) by Financing Activities	<u>(87,653)</u>	<u>772,712</u>
Net Change in Cash	(91,067)	(895,544)
Cash		
Beginning of Year	<u>894,732</u>	<u>1,790,276</u>
End of Year	<u>\$ 803,665</u>	<u>\$ 894,732</u>

See notes to financial statements.

GENESIS COMMUNITY HEALTH, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Nature of Organization

Genesis Community Health, Inc. ("Organization") is a non-profit, faith based organization that provides free medical, dental, mental health and spiritual care to low-income and uninsured individuals. Genesis also supports patients and their families by connecting them to other critical resources, such as food, shelter, and transportation.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization reports net assets and revenues, expenses, gains and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Use of Estimates

The Organization uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those used in determining the collectability of grants, pledges, and contributions receivable, the fair value of donated goods and services, and the estimated useful lives of property and equipment. It is at least reasonably possible that the significant estimates used will change within the next year.

Cash and Cash Equivalents

The Organization considers its short-term, highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

GENESIS COMMUNITY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. At May 31, 2025 and 2024, the Organization's uninsured cash balances totaled \$474,304 and \$552,479, respectively.

For the year ended May 31, 2025, the Organization did not have any contribution revenue that comprised 10% or more of total revenue. For the year ended May 31, 2024, contribution revenue from one donor comprised approximately 13% of the Organization's total revenue.

Inventories

Pharmaceutical and medical supplies are either donated or purchased. As of May 31, 2025 and 2024, the value of purchased and donated pharmaceutical and medical supplies has been capitalized as supply inventory at the lower of cost or net realizable value.

Property and Equipment

Property and equipment is stated at cost, or, if donated, at the estimated fair value at the date of donation. All property and equipment with a fair value in excess of \$5,000 and a useful life of at least three years is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 30 years.

Fair Value

The Organization uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

GENESIS COMMUNITY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Contributions and Donor Imposed Restrictions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increase that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, 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.

Contributions and Grants Receivable

Contributions and grants receivable are stated at unpaid balances, less an allowance for uncollectible amounts. Balances are non-interest bearing. The allowance is based on management's assessment of historical collection experience and other relevant factors. There was no allowance at May 31, 2025 and 2024, as all amounts are deemed collectible.

Patient Service Revenue

The programs of the organization provide medical, dental and mental care to patients without third-party coverage. Eligibility is based on household size and income based on 200 percent of the Federal Poverty Guidelines or less. As a way to encourage personal responsibility and empower its patients, Genesis accepts voluntary donations from patients. The frequency and amounts of these donations are at the sole discretion of the patients; services are never withheld from patients who choose not to donate.

Contributed Nonfinancial Assets

The Organization records in-kind goods based on the fair value as described in generally accepted accounting principles. The Organization recognizes donated services if they create or enhance nonfinancial assets or require specialized skills and would otherwise need to be purchased if not provided by donation. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed. The majority of donated services received by the organization are from healthcare professionals, such as physicians and dentists. Additional support comes from other volunteers, such as nurses, student interns, and church groups.

GENESIS COMMUNITY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

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 and in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a square footage basis; and supplies and telephone costs, which are allocated based on usage studies conducted annually. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state laws. Accordingly, no provision for income taxes has been recorded in these financial statements.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years 2025 or 2024.

The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2021.

GENESIS COMMUNITY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Comparative Data

The amounts shown for the year ended May 31, 2024 in the accompanying financial statements are presented to provide a basis for comparison with 2025 and include summarized totals only. Accordingly, the 2024 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2024, from which the summarized information was derived.

Subsequent Events

The Organization has evaluated subsequent events through September 15, 2025, which is the date the financial statements were available to be issued.

Note B – Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash	\$ 803,665
Grants receivable	<u>12,395</u>
Total financial assets available within one year	816,060
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>(300,369)</u>
Total financial assets available within one year after donor restrictions	<u>\$ 515,691</u>

The amount restricted by donors above does not include the amount of donated medication remaining in inventory at year end. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At May 31, 2025, all net assets with donor restrictions are available for payment of any major expenditures incurred, except for grants receivable which are available when the receivable is collected, which is expected within the next year, and the expenditure is incurred. To help manage unanticipated liquidity needs, the Organization has a line of credit totaling \$77,643 which it could draw upon.

GENESIS COMMUNITY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS

Note C – Property and Equipment

At May 31, property and equipment consisted of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 849,215	\$ 849,215
Building and improvements	2,385,029	2,320,605
Furniture and equipment	326,763	102,308
Construction in progress	<u>0</u>	<u>224,455</u>
	3,561,007	3,496,583
Less accumulated depreciation	<u>(451,428)</u>	<u>(336,305)</u>
Total Property and Equipment	<u>\$ 3,109,579</u>	<u>\$ 3,160,278</u>

Depreciation expense of \$115,123 and \$48,770 was recorded for the years ended May 31, 2025 and 2024, respectively.

Note D – Long-Term Debt

At May 31, long term debt consisted of the following:

	<u>2025</u>	<u>2024</u>
Note payable to Northwest Christian Credit Union, \$1,154 monthly, including interest at 5.00% per annum, maturing March 2031 with a balloon payment in the amount of \$62,056. The note is secured by the Genesis Community Health, Inc. property.	\$ 95,608	\$ 104,803
Note payable to Northwest Christian Credit Union, secured by building. Payable in monthly installments of \$4,914, including variable interest with a floor rate of 5.5% and ceiling rate of 13.0%, 5.5% as of May 31, 2025. Matures in January 2039.	<u>709,516</u>	<u>787,974</u>
	805,124	892,777
Less current portion	<u>(24,598)</u>	<u>(23,324)</u>
	<u>\$ 780,526</u>	<u>\$ 869,453</u>

GENESIS COMMUNITY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS

Note D – Long-Term Debt (Continued)

Maturities of long-term debt as of May 31, 2025 are as follows:

2026	\$	24,598
2027		25,942
2028		27,347
2029		28,855
2030		30,432
Thereafter		<u>667,950</u>
	\$	<u>805,124</u>

Cash paid during the year for interest for the years ended May 31, 2025 and 2024 was \$45,547 and \$24,302, respectively.

Note E – Line of Credit Payable

At May 31, 2025, the Organization has a \$77,643 line of credit with Northwest Christian Credit Union. The line of credit bears interest at 4.25%, and is due for renewal on March 1, 2031. The line of credit is secured by the Organization’s assets. At May 31, 2025 and 2024, there was no balance outstanding.

Note F – Net Assets

The detail of the Organization’s net asset categories are as follows as of May 31:

	<u>2025</u>	<u>2024</u>
Without donor restrictions:		
Invested in property and equipment	\$ 2,304,455	\$ 2,267,501
Undesignated	<u>588,499</u>	<u>948,368</u>
Total without donor restrictions	2,892,954	3,215,869
With donor restrictions:		
Inventory	135,957	244,508
Patient care	56,780	0
Dental program	<u>107,632</u>	<u>64,183</u>
Total with donor restrictions	<u>300,369</u>	<u>308,691</u>
Total net assets	<u>\$ 3,193,323</u>	<u>\$ 3,524,560</u>

GENESIS COMMUNITY HEALTH, INC.
NOTES TO FINANCIAL STATEMENTS

Note G – Contributed Nonfinancial Assets

For the years ended May 31, 2025 and 2024, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2025</u>	<u>2024</u>
Labor	\$ 379,224	\$ 382,493
Pharmaceuticals and supplies	<u>243,141</u>	<u>568,528</u>
Total contributed nonfinancial assets	<u>\$ 622,365</u>	<u>\$ 951,021</u>

For the years ended May 31, 2025 and 2024, the Organization recognized contributed nonfinancial assets within revenue, including labor, materials and supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed labor is utilized in the Organization’s medical, dental and mental health programs. Contributed labor is valued and is reported at the estimated fair value in the financial statements based on current rates for similar services.

Contributed pharmaceuticals and supplies are utilized in the Organization’s medical, dental and mental health programs. Contributed pharmaceuticals and supplies are valued and reported at the estimated fair value in the financial statements based on retail prices for similar products in the United States.

Note H – Capital Campaign

The Organization conducted a capital campaign. The goal of the campaign was to raise \$3,187,000 in order to purchase and make some minor improvements to a new building in Caldwell, Idaho. As of May 31, 2024 the Organization had raised \$3,132,487 for the capital project, and finalized the purchase of the new building in January 2024. During the year ended May 31, 2024, most of the building was put into service. During the year ended May 31, 2025, the remaining renovations of the building in Caldwell, Idaho were complete and the rest of the building was placed into service.