

**REVIEWED FINANCIAL STATEMENTS**

**NEW YORK STATE ASSOCIATION FOR  
RURAL HEALTH, INC.**

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**DECEMBER 31, 2018**

**NEW YORK STATE ASSOCIATION FOR RURAL HEALTH, INC.**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
New York State Association for Rural Health, Inc.

We have reviewed the accompanying financial statements of New York State Association for Rural Health, Inc. (The Organization) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility 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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Freed Maxick CPAs, P.C.*

Rochester, New York  
April 23, 2019

NEW YORK STATE ASSOCIATION FOR RURAL HEALTH, INC.

STATEMENTS OF FINANCIAL POSITION

December 31,

See Independent Accountant's Review Report

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<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
Cash	\$ 72,701	\$ 51,402
Accounts receivable, net	545	1,665
Other current assets	<u>2,500</u>	<u>-</u>
Total assets	<u>\$ 75,746</u>	<u>\$ 53,067</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 934	\$ -
Accrued expenses	-	2,560
Deferred revenue	<u>3,030</u>	<u>2,555</u>
Total liabilities	<u>3,964</u>	<u>5,115</u>
Net assets without donor restrictions	<u>71,782</u>	<u>47,952</u>
Total liabilities and net assets	<u>\$ 75,746</u>	<u>\$ 53,067</u>

See accompanying notes.

NEW YORK STATE ASSOCIATION FOR RURAL HEALTH, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended December 31,  
See Independent Accountant's Review Report

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	<u>2018</u>	<u>2017</u>
<b>Support and revenue:</b>		
Grants	\$ 11,165	\$ 11,515
Membership dues	15,970	9,075
Conference fees	72,810	37,983
Interest income	10	5
Total support and revenues	<u>99,955</u>	<u>58,578</u>
<b>Expenses:</b>		
Program	64,400	55,214
Management and general	11,725	14,406
Total expenses	<u>76,125</u>	<u>69,620</u>
<b>Change in net assets</b>	<b>23,830</b>	<b>(11,042)</b>
<b>Net assets at beginning of the year</b>	<u><b>47,952</b></u>	<u>58,994</u>
<b>Net assets at end of year</b>	<u><u><b>\$ 71,782</b></u></u>	<u><u><b>\$ 47,952</b></u></u>

See accompanying notes.

**NEW YORK STATE ASSOCIATION FOR RURAL HEALTH, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended December 31,**  
**See Independent Accountant's Review Report**

	<b>2018</b>		
	<b>Program</b>	<b>Management and General</b>	<b>Total</b>
Contract services	\$ 30,750	\$ 10,250	\$ 41,000
Conference expenses	23,484	-	23,484
Travel	8,362	-	8,362
Accounting fees	-	32	32
Dues and subscriptions	798	-	798
Insurance	-	714	714
Bank service charges	-	662	662
Printing, promotion and postage	805	-	805
Website hosting fees	201	67	268
	<u>\$ 64,400</u>	<u>\$ 11,725</u>	<u>\$ 76,125</u>

	<b>2017</b>		
	<b>Program</b>	<b>Management and General</b>	<b>Total</b>
Contract services	\$ 29,819	\$ 9,920	\$ 39,739
Conference expenses	15,940	-	15,940
Travel	8,074	-	8,074
Accounting fees	-	2,560	2,560
Meeting expenses	-	802	802
Insurance	-	704	704
Dues and subscriptions	675	-	675
Printing, promotion and postage	573	-	573
Bank service charges	-	375	375
Website hosting fees	133	45	178
	<u>\$ 55,214</u>	<u>\$ 14,406</u>	<u>\$ 69,620</u>

See accompanying notes.

NEW YORK STATE ASSOCIATION FOR RURAL HEALTH, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31,

See Independent Accountant's Review Report

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	<u>2018</u>	<u>2017</u>
<b>Cash flows provided by (used in) operating activities:</b>		
Change in net assets	\$ 23,830	\$ (11,042)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Decrease (increase) in assets:		
Accounts receivable, net	1,120	(1,380)
Other current assets	(2,500)	-
Increase (decrease) in liabilities:		
Accounts payable	934	-
Accrued expenses	(2,560)	2,560
Deferred revenue	475	1,900
<b>Net cash provided by (used in) operating activities</b>	<b>21,299</b>	<b>(7,962)</b>
<b>Cash at beginning of year</b>	<b>51,402</b>	<b>59,364</b>
<b>Cash at end of year</b>	<b><u>\$ 72,701</u></b>	<b><u>\$ 51,402</u></b>

See accompanying notes.

**NEW YORK STATE ASSOCIATION FOR RURAL HEALTH, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**See Independent Accountant's Review Report**

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**NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization:** New York State Association for Rural Health, Inc., (the "Organization" or "NYSARH") provides leadership and collaboration on health, welfare and well-being for rural New York State residents.

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

**Net Assets:** The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

***Net Assets Without Donor Restrictions:*** Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

***Net Assets With Donor Restrictions:*** Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions. No restrictions exist on the use of the net assets at December 31, 2018 or 2017.

**Accounting Estimates:** The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, actual results may differ from estimated amounts.

**Functional Allocation of Expenses:** Management and general activities include the functions necessary to provide support for the organization's program activities. They include activities that provide governance and general organizational oversight such as board of director meetings, accounting, insurance and bank service charges. Program activities include functions necessary for the Organization's mission to provide leadership and collaboration on health, welfare and well-being for rural New York State residents. These include travel expenses for conferences, dues and subscriptions, and promotional expenses. Shared costs are allocated among the programs and administrative categories based on time spent on program versus administrative activities.

**Income Taxes:** New York State Association for Rural Health, Inc. is a non-profit corporation whose primary revenue is derived from fees from its annual conferences. It has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986. The Organization files its return of Organization Exempt from Income Tax in the U.S. federal jurisdiction and its Annual Filing of Charitable Organizations in New York State.

**Deferred Revenue:** Membership dues received in the current year for next year's membership are reported as revenues when earned. Amounts received but not yet earned are reported as deferred revenues.

**Revenue Recognition:** Grants are recognized as revenue when the related expenditures are incurred, and are deemed to be exchange transactions. Revenue derived from membership dues is recognized over the period to which the dues relate. Conference fees are recognized in the period the conferences are held.

**Accounts Receivable:** Accounts receivable for the years ending December 31, 2018 and 2017 consisted of amounts due to the Organization for conference fees. The Organization estimates an allowance for doubtful accounts based on past due accounts receivable. The Organization did not record an allowance for doubtful accounts as of the years ending December 31, 2018 and 2017.



**NEW YORK STATE ASSOCIATION FOR RURAL HEALTH, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**See Independent Accountant's Review Report**

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**NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Principles:** The Organization implemented Financial Accounting Standards Board (FASB) ASU No. 2016-14 in the current year, applying the changes retrospectively. The new standards change the following aspects of the financial statements:

- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a disclosure about liquidity and availability of resources (see Note 2).

**Recently Issued Accounting Pronouncements:** In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

**Subsequent Events:** These financial statements have not been updated for subsequent events occurring after April 23, 2019, which is the date these financial statements were available to be issued.

**NOTE 2. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of December 31, 2018 are:

**Current financial assets:**

Cash	\$ 72,701
Accounts receivable, net	<u>575</u>
<b>Amount available for general expenditures within one year</b>	<b><u>\$ 73,276</u></b>

There are no donor-restricted or board-designated funds that are unavailable for general expenditure. All cash is held in a checking and a money market account. These amounts are available as needed to fund operational needs. The Organization does not have a line of credit but has not needed and is not expected to need to borrow funds to finance operations.