

**Draft**

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

**FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NEW YORK STATE ASSOCIATION FOR RURAL HEALTH, INC.

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	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position December 31, 2020 and 2019	3
Statement of Activities for the Year Ended December 31, 2020	4
Statement of Activities for the Year Ended December 31, 2019	5
Statements of Functional Expenses for the Years Ended December 31, 2020 and 2019	6
Statements of Cash Flows for the Years Ended December 31, 2020 and 2019	7
Notes to Financial Statements	8 - 11



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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of New York State Association for Rural Health, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York State Association for Rural Health, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Certified Public Accountants, P.C.

June 28, 2021

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

**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019**

	12/31/2020	12/31/2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 145,378	\$ 110,023
Accounts Receivable	3,350	17,572
Pass-through Grants Receivable	266,943	272,194
Total Current Assets	415,671	399,789
<b>TOTAL</b>	<b>\$ 415,671</b>	<b>\$ 399,789</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 5,339	\$ 24,180
Pass-through Grants Payable	266,943	272,194
Deferred Revenue	7,369	4,689
Total Current Liabilities	279,651	301,063
<b>NET ASSETS</b>		
Without Donor Restrictions	132,711	92,926
With Donor Restrictions	3,309	5,800
Total Net Assets	136,020	98,726
<b>TOTAL</b>	<b>\$ 415,671</b>	<b>\$ 399,789</b>

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

NEW YORK STATE ASSOCIATION FOR RURAL HEALTH, INC.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total 12/31/2020
<b>SUPPORT AND REVENUE</b>			
Conference Fees	\$ 16,805	\$ -	\$ 16,805
Contract Income	3,530	-	3,530
Grant Income	9,891	-	9,891
Membership Dues	13,619	-	13,619
NYS Grant - Administrative Services	98,333	-	98,333
Other Income	2,525	-	2,525
Interest Income	1,121	-	1,121
Net Assets Released from Restriction	2,491	(2,491)	-
Total Support and Revenue	<u>148,315</u>	<u>(2,491)</u>	<u>145,824</u>
<b>EXPENSES</b>			
Program Services	56,308	-	56,308
Management and General Services	52,222	-	52,222
Total Expenses	<u>108,530</u>	<u>-</u>	<u>108,530</u>
<b>CHANGE IN NET ASSETS</b>	39,785	(2,491)	37,294
<b>NET ASSETS - Beginning of Year</b>	<u>92,926</u>	<u>5,800</u>	<u>98,726</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 132,711</u>	<u>\$ 3,309</u>	<u>\$ 136,020</u>

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

NEW YORK STATE ASSOCIATION FOR RURAL HEALTH, INC.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total 12/31/2019
<b>SUPPORT AND REVENUE</b>			
Conference Fees	\$ 80,765	\$ -	\$ 80,765
Contract Income	-	-	-
Grant Income	15,709	5,800	21,509
Membership Dues	10,036	-	10,036
NYS Grant - Administrative Services	11,667	-	11,667
Other Income	6,220	-	6,220
Interest Income	10	-	10
Net Assets Released from Restriction	-	-	-
Total Support and Revenue	<u>124,407</u>	<u>5,800</u>	<u>130,207</u>
<b>EXPENSES</b>			
Program Services	63,364	-	63,364
Management and General Services	<u>39,899</u>	-	<u>39,899</u>
Total Expenses	<u>103,263</u>	-	<u>103,263</u>
<b>CHANGE IN NET ASSETS</b>	21,144	5,800	26,944
<b>NET ASSETS - Beginning of Year</b>	<u>71,782</u>	-	<u>71,782</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 92,926</u>	<u>\$ 5,800</u>	<u>\$ 98,726</u>

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

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

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019**

	12/31/2020			12/31/2019		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Contract Services	\$ 33,718	\$ 38,540	<b>72,258</b>	\$ 29,216	\$ 30,200	<b>59,416</b>
Conference Expenses	5,411	-	<b>5,411</b>	24,804	-	<b>24,804</b>
Focus Group Expenses	-	-	-	579	-	<b>579</b>
Insurance	-	714	<b>714</b>	-	704	<b>704</b>
Marketing and Promotion	1,026	-	<b>1,026</b>	3,367	-	<b>3,367</b>
Website Hosting Fees	-	-	-	158	53	<b>211</b>
Printing, Postage, and Supplies	622	44	<b>666</b>	734	-	<b>734</b>
Professional Fees	875	11,875	<b>12,750</b>	1,500	7,923	<b>9,423</b>
Telephone	1,499	166	<b>1,665</b>	-	-	-
Travel	10,333	-	<b>10,333</b>	2,996	-	<b>2,996</b>
Dues, Memberships and Subscriptions	805	-	<b>805</b>	10	-	<b>10</b>
Bank Service Charges	-	462	<b>462</b>	-	1,019	<b>1,019</b>
Board Meeting Expenses	-	421	<b>421</b>	-	-	-
Fees and Licenses	2,019	-	<b>2,019</b>	-	-	-
<b>Total Functional Expenses</b>	<b>\$ 56,308</b>	<b>\$ 52,222</b>	<b>\$ 108,530</b>	<b>\$ 63,364</b>	<b>\$ 39,899</b>	<b>\$ 103,263</b>

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



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

**STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	12/31/2020	12/31/2019
<b>CHANGE IN NET ASSETS</b>	\$ 37,294	\$ 26,944
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Accounts Receivable	14,222	(17,027)
Pass-through Grants Receivable	5,251	(272,194)
Prepaid Expenses	-	2,500
Accounts Payable	(18,841)	23,246
Pass-through Grants Payable	(5,251)	272,194
Deferred Revenue	2,680	1,659
Net Cash Provided (Used) by Operating Activities	35,355	37,322
<b>CASH AND CASH EQUIVALENTS- Beginning of Year</b>	110,023	72,701
<b>CASH AND CASH EQUIVALENTS- END OF YEAR</b>	\$ 145,378	\$ 110,023

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

NEW YORK STATE ASSOCIATION  
FOR RURAL HEALTH, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

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

**Basis of Accounting**

The financial statements of NYSARH 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**

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and recorded as follows:

- **Net Assets Without Donor Restrictions** are resources that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. They may consist of both undesignated funds and Board designated funds. There were no Board designated funds for 2020 or 2019.
- **Net Assets With Donor Restrictions** are resources that are restricted by a donor for use for a particular purpose or in a 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.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. These reclassifications are reported in the statements of activities as net assets released from restrictions.

It is the Organization’s policy to record donor-restricted support whose restrictions are met in the same reporting period as support within net assets without donor restrictions.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents consists of checking and money market accounts.

**NEW YORK STATE ASSOCIATION  
FOR RURAL HEALTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accounts Receivable**

Management has evaluated accounts receivable, which consists of amounts due to the Organization for conference and administrative fees.

**Income Taxes**

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accounting principles generally accepted in the United States of America require the Organization to evaluate all significant tax positions. As of December 31, 2020 the Organization does not believe that it has taken any positions that would require the recording of any tax liability, nor does it believe that there are any unrealized tax benefits that should be recorded.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Functional Allocation of Expenses**

The cost of providing programs and services is summarized on a functional basis in the statements of activities and statements of functional expenses. Program activities include functions necessary for the Organization's mission to provide leadership and collaboration in health, welfare and well-being for rural New York State residents. These include travel expenses for conferences, dues and subscriptions, and promotional 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. Shared costs are allocated among the programs and administrative categories based on estimated time or resources spent on program versus administrative activities.

**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.

**NEW YORK STATE ASSOCIATION  
FOR RURAL HEALTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Adoption of New Accounting Pronouncement**

For the year ended December 31, 2020, NYSARH adopted Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606)*, as amended. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue. The disclosures of revenue have been enhanced in accordance with the standard.

**Subsequent Events**

Management has reviewed and evaluated all events and transactions from January 1, 2021 through June 28, 2021, the date the financial statements were available to be issued, for possible disclosure and/or recognition in the financial statements. There were no events or transactions that existed which would provide additional pertinent information about conditions at the statement of financial position date required to be recognized or disclosed in the accompanying financial statements.

**NOTE B - GRANTS RECEIVABLE AND PAYABLE**

In 2019 NYSARH was awarded two New York legislative grants to administer the distribution of funding for the Rural Health Network Development Program and the Rural Health Care Access Development Program. The contracts' terms are for the period April 1, 2019 through March 31, 2020. Total funding of \$ 990,000 is to be distributed to recipients specifically identified in the grants for amounts also identified in the grants.

NYSARH is to develop subcontracts with the recipients, collect vouchers and documentation for the expenditure of the funds from the recipients, submit voucher requests to New York State Department of Health for reimbursement of these expenditures, and then remit to the recipients upon receipt.

Under the terms of the contracts, NYSARH will receive \$ 110,000 for these administrative services. NYSARH is acting as an agent for the Department of Health and has no variance power over the funds received for the recipients. Administrative services income recognized by NYSARH for the years ended December 31, 2020 and 2019 is \$ 98,333 and \$ 11,667, respectively.

At December 31, 2020 and 2019, contractual obligations had been met by recipients for \$ 266,943 and \$ 272,194, respectively of funding which is recognized in the statement of financial position as Pass-through Grants Receivable/Payable.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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**NOTE C - LIQUIDITY AND AVAILABILITY**

The following are the financial assets as of December 31, 2020 and 2019, which are available to meet general expenditures within one year:

	12/31/2020	12/31/2019
Cash and Cash Equivalents .....	\$ 145,378	\$ 110,023
Accounts Receivable .....	3,350	17,572
	\$ 148,728	\$ 127,595

**NOTE D - NET ASSETS**

At December 31, 2020 and 2019, net assets without donor restrictions consisted of the following:

	12/31/2020	12/31/2019
Operating Funds .....	\$ 132,711	\$ 92,926

At December 31, 2020 and 2019, net assets with donor restrictions consisted of the following:

	12/31/2020	12/31/2019
Unexpended Grants .....	\$ 3,309	\$ 5,800

**NOTE E - UNCERTAINTIES**

On March 12, 2020 the World Health Organization characterized COVID-19 a pandemic. Subsequently, the Governor of New York issued executive order “New York Pandemic” which declared a state of emergency and closed all non-essential businesses statewide. Accordingly, the Organization cancelled all in-person programs. Their annual conference was changed to a virtual event, but resulted in significantly less revenue in 2020 compared to 2019. As of the date of these financial statements, the extent of the impact for the future cannot be reasonably estimated at this time.

**NOTE F - RECLASSIFICATIONS**

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation. These reclassifications have no effect on prior year change in net assets.