

*NEW YORK STATE ASSOCIATION OF
COUNTY HEALTH OFFICIALS, INC.
("NYSACHO")*

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NEW YORK STATE ASSOCIATION OF COUNTY HEALTH OFFICIALS, INC.

TABLE OF CONTENTS

DECEMBER 31, 2023 AND 2022

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	7-12
Supplementary Information	
Schedule of Grant Revenue and Expenses	13

CUSACK & COMPANY
Certified Public Accountants LLC

7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: CPAS@CUSACK.CPA
WWW.CUSACK.CPA

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New York State Association of County Health Officials, Inc.
Albany, New York

Opinion

We have audited the accompanying financial statements of New York State Association of County Health Officials, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, cash flows and functional expenses for the years 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 New York State Association of County Health Officials, Inc. as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits 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 New York State Association of County Health Officials, 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 New York State Association of County Health Officials, Inc.'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 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 New York State Association of County Health Officials, 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 New York State Association of County Health Officials, 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 Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
April 15, 2024

NEW YORK STATE ASSOCIATION OF COUNTY HEALTH OFFICIALS, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 128,657	\$ 225,726
Grants Receivable, Net	240,840	217,754
Prepaid Expenses	<u>47,228</u>	<u>4,471</u>
Total Current Assets	<u>416,725</u>	<u>447,951</u>
Other Assets		
Investments	245,716	212,325
Office Equipment, Net	46,303	39,103
Right-of-Use Asset	<u>101,399</u>	<u>129,429</u>
Total Other Assets	<u>393,418</u>	<u>380,857</u>
Total Assets	<u>\$ 810,143</u>	<u>\$ 828,808</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Current Portion of Lease Payable	\$ 29,736	\$ 28,030
Accounts Payable	34,096	12,017
Accrued Payroll	73,184	69,203
Grantor Payable	-	62,069
Unearned Revenue	<u>60,364</u>	<u>85,952</u>
Total Current Liabilities	197,380	257,271
Lease Payable, Net of Current Portion	71,663	101,399
Net Assets Without Donor Restrictions	<u>541,100</u>	<u>470,138</u>
Total Liabilities and Net Assets	<u>\$ 810,143</u>	<u>\$ 828,808</u>

NEW YORK STATE ASSOCIATION OF COUNTY HEALTH OFFICIALS, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Support and Revenue		
Membership Dues	\$ 265,065	\$ 228,565
Grant Income	1,303,250	1,098,966
Investment Returns, Net	33,566	(35,413)
Other Income	<u>70,771</u>	<u>26,812</u>
Total Support and Revenue	<u>1,672,652</u>	<u>1,318,930</u>
Expenses		
Program	1,461,779	1,195,805
Management and General	<u>139,911</u>	<u>125,221</u>
Total Expenses	<u>1,601,690</u>	<u>1,321,026</u>
Change in Net Assets	70,962	(2,096)
Net Assets, Beginning of Year	<u>470,138</u>	<u>472,234</u>
Net Assets, End of Year	<u>\$ 541,100</u>	<u>\$ 470,138</u>

NEW YORK STATE ASSOCIATION OF COUNTY HEALTH OFFICIALS, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 70,962	\$ (2,096)
Adjustments to Reconcile Change in Net Assets to Net Cash Net Cash Provided By (Used In) Operating Activities:		
Depreciation	6,748	3,912
Unrealized (Gain) Loss on Investments	(22,974)	45,454
Changes in:		
Grants Receivable/Payable	(85,155)	93,565
Prepaid Expenses	(42,757)	(3,487)
Accounts Payable	22,079	1,632
Accrued Payroll	3,981	21,914
Unearned Revenue	<u>(25,588)</u>	<u>34,161</u>
Net Cash Provided By (Used In) Operating Activities	<u>(72,704)</u>	<u>195,055</u>
Cash Flows from Operating Activities		
Purchase of Investments	(10,417)	(9,853)
Purchase of Property and Equipment	<u>(13,948)</u>	<u>(42,829)</u>
Net Cash Used In Investing Activities	<u>(24,365)</u>	<u>(52,682)</u>
Change in Cash	(97,069)	142,373
Cash, Beginning of Year	<u>225,726</u>	<u>83,353</u>
Cash, End of Year	<u>\$ 128,657</u>	<u>\$ 225,726</u>

NEW YORK STATE ASSOCIATION OF COUNTY HEALTH OFFICIALS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>December 31, 2023</u>			<u>December 31, 2022</u>		
	<u>Program</u>	<u>Management and General</u>	<u>Total</u>	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 533,231	\$ 71,360	\$ 604,591	\$ 516,464	\$ 70,239	\$ 586,703
Payroll Taxes and Benefits	193,037	25,833	218,870	163,531	22,240	185,771
Grants to Health Departments	28,540	-	28,540	-	-	-
Meetings, Conferences and Trainings	327,199	-	327,199	236,120	-	236,120
Consultants and Subcontractors	219,083	29,319	248,402	144,450	19,645	164,095
Lobbying Expenses	32,763	-	32,763	24,000	-	24,000
Communications	16,884	2,260	19,144	16,869	2,294	19,163
Rent	28,065	3,756	31,821	34,524	4,695	39,219
Travel	27,804	-	27,804	14,940	-	14,940
Office Expense	39,152	5,240	44,392	29,923	4,070	33,993
Insurance	6,235	834	7,069	4,130	562	4,692
Depreciation	5,952	796	6,748	3,444	468	3,912
Miscellaneous	<u>3,834</u>	<u>513</u>	<u>4,347</u>	<u>7,410</u>	<u>1,008</u>	<u>8,418</u>
Total	<u>\$ 1,461,779</u>	<u>\$ 139,911</u>	<u>\$ 1,601,690</u>	<u>\$ 1,195,805</u>	<u>\$ 125,221</u>	<u>\$ 1,321,026</u>

1. NATURE OF ACTIVITY

The New York State Association of County Health Officials, Inc. (the “Association” or “NYSACHO”) is a not-for-profit membership association organized for the purpose of improving policies and practices in the field of public health. The members of NYSACHO are primarily representatives of county health departments in the State of New York.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Reporting

The financial statements of the Association have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred. The basis of accounting in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Equipment and Depreciation

Equipment is stated at cost less accumulated depreciation. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in income. Depreciation is computed using the straight line method over the estimated useful lives of the assets ranging from 3 to 7 years.

Revenue Recognition

Revenue from contracts with customers is recognized in accordance with a five-step model as follows:

- Identify the contract with the customer
- Identify the performance obligation(s) in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligation(s) in the contract
- Recognize revenue when earned or as performance obligation(s) are satisfied

The Association recognizes membership dues as revenue on a calendar year basis. Dues received in advance for the following year are reflected as unearned revenue. Revenues generated by grants are recognized in the period in which the related expenses are incurred. Revenues generated by conferences and meetings are recognized in the period the events occur.

Contract Assets

Amounts related to services provided to customers which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Contract asset balances consist primarily of services provided to customers who are still receiving services at the end of the year. There were no contract assets for the years ended December 31, 2023 and 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contract Liabilities

Contract liabilities represent revenue that has been deferred for the funds advanced by third party payors for the Association's contracts received related to services that have not yet been provided to customers. Contract liabilities consist of payments made by funding and other sources for the Association's contracts for services not yet performed that are expected to be performed within the next fiscal year. Contract liabilities were \$60,364 and \$85,952 for the years ended December 31, 2023 and 2022, respectively.

Allowance for Uncollectibles

The Association utilizes the allowance method to determine the allowance for doubtful accounts. At December 31, 2023 and 2022, management determined an allowance of \$0 and \$6,529, respectively, based upon their review of the specific receivables and prior history.

Taxes

The Association is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, the Association may be liable for income taxes on unrelated business income.

Estimates

The preparation of financial statements in accordance 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 may differ from these estimates.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to program and administration. Directly identifiable expenses are charged to program and administration. Expenses that are not directly identifiable require allocation on a reasonable basis that is consistently applied. Salaries and benefits when requiring allocation are based on estimates of time and effort. Other expenses not directly identifiable all allocated using acceptable methods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value

The Accounting Standards Codification requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that NYSACHO would receive upon selling an asset or pay to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets (Level 1 measurements) to measurements involving significant unobservable inputs (Level 3 measurements).

Accounting for Uncertainty in Income Taxes

The Accounting Standards Codification requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. The Association has not recognized any benefits or liabilities from uncertain tax positions in 2023 and believes it has no uncertain tax positions for which it is reasonably possible that will significantly increase or decrease net assets. Generally, federal and state authorities may examine the Association's tax returns for three years from the date of filing; consequently, tax-exempt income tax returns for years prior to 2020 are no longer subject to examination by tax authorities.

Subsequent Events

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through April 15, 2024, the date the financial statements were available to be issued. No such events or transactions were identified.

NEW YORK STATE ASSOCIATION OF COUNTY HEALTH OFFICIALS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023 AND 2022

3. INVESTMENTS

Investments consist of the following mutual funds and are valued at fair value, determined using quoted prices in active markets for identical assets (Level 1).

	2023		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Mutual Funds, Equity Based	\$ 137,566	\$ 177,265	\$ 39,699
Mutual Funds, Bonds Based	<u>77,384</u>	<u>68,451</u>	<u>(8,933)</u>
Total	<u>\$ 214,950</u>	<u>\$ 245,716</u>	<u>\$ 30,766</u>

	2022		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Mutual Funds, Equity Based	\$ 130,694	\$ 149,153	\$ 18,459
Mutual Funds, Bonds Based	<u>73,839</u>	<u>63,172</u>	<u>(10,667)</u>
Total	<u>\$ 204,533</u>	<u>\$ 212,325</u>	<u>\$ 7,792</u>

Investment returns, net are as follows:

	<u>2023</u>	<u>2022</u>
Dividend and Interest Income	\$ 10,592	\$ 10,041
Unrealized Gain (Loss) on Investments	<u>22,974</u>	<u>(45,454)</u>
	<u>\$ 33,566</u>	<u>\$ (35,413)</u>

4. GRANTOR PAYABLE

Grantor payable consist of a duplicate payment received on a grant that was repaid in February 2023.

5. LEASES

The Association has entered into one lease for its administrative office. The five year lease terminates on March 31, 2027, with fixed monthly payments of \$32,591 for 2024, \$32,878 for 2025, \$33,233 for 2026 and \$8,340 for 2027.

As the rate implicit in the leases is not known, an incremental borrowing rate of 3.25% was used as the discount rate.

NEW YORK STATE ASSOCIATION OF COUNTY HEALTH OFFICIALS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2023 AND 2022

5. LEASES (CONTINUED)

Amounts recognized as right-of-use asset and lease payable are included in the statement of financial position as follows:

	<u>2023</u>	<u>2022</u>
Right-of-Use Asset	\$ 101,399	\$ 129,429
Current Portion of Lease Payable	29,736	28,030
Long-Term Portion of Lease Payable	<u>71,663</u>	<u>101,399</u>
Total Lease Payable	<u>\$ 101,399</u>	<u>\$ 129,429</u>

Rent expense relating to operating rents was \$31,821 and \$39,219 for the years ended December 31, 2023 and 2022, respectively.

Current maturities of lease payable is as follows:

2024	\$ 32,591
2025	32,878
2026	33,233
2027	<u>8,340</u>
	107,042
Less amount representing interest	<u>(5,643)</u>
	<u>\$ 101,399</u>

6. LINE OF CREDIT

The Association has an unsecured \$50,000 revolving line of credit with a financial institution. There were no outstanding advances under the line at December 31, 2023 or 2022.

7. RETIREMENT PLAN

The Association established a 401(k) plan covering substantially all employees. Employees are eligible once they have met certain age and years of service requirements. The employer contribution is voluntary and was equal to 6% (3% in 2022) of each employee's gross salary for 2023 and 2022. The cost to the Association was \$29,519 and \$10,668 for the years ended December 31, 2023 and 2022, respectively.

8. CONCENTRATIONS

The Association receives a substantial portion of its grant revenue from the New York State Department of Health and Health Research, Inc. For the years ended December 31, 2023 and 2022, grant revenue from those entities represented approximately 76% and 79% of total revenue, respectively. Expenses incurred related to these grants include salaries, benefits and other costs associated with providing educational and training services.

9. GRANT AGREEMENTS

The Association is subject to audits and reviews of reimbursable costs by its various governmental agencies and other funding sources. The outcome of these audits and reviews may have the effect of retroactively increasing or decreasing revenue. In the event that a subsequent audit or review determines that an adjustment is required, the amount will be recognized in the period in which it becomes fixed and determinable. Management does not expect that such adjustments, if any, will be significant.

10. LIQUIDITY

The Association's liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the Association has a line of credit in the amount of \$50,000 which it could draw upon. Additionally, the Association has unrestricted investments of \$245,716 at December 31, 2023 which it could utilize.

The Association has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, liabilities and other obligations of:

Cash	\$ 128,657
Receivables	<u>276,840</u>
Financial Assets Available to Meet Cash Needs within One Year	<u>\$ 405,497</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

SUPPLEMENTARY INFORMATION

NEW YORK STATE ASSOCIATION OF COUNTY HEALTH OFFICIALS, INC.

SCHEDULE OF GRANT REVENUE AND EXPENSES

DECEMBER 31, 2023 AND 2022

	Immunization Activities C033860/ C039375	Education and Training C037256	Vaccine Equality C037071	Columbia	HRI 1662	Climate Change HRI 6220	HRI SUD	PFL HRI 7366	Total Grants
Revenue:									
Grant Income	<u>\$ 301,711</u>	<u>\$ 269,183</u>	<u>\$ 264,441</u>	<u>\$ 47,421</u>	<u>\$ 63,755</u>	<u>\$ 40,686</u>	<u>\$ 234,216</u>	<u>\$ 81,837</u>	<u>\$ 1,303,250</u>
Expenses									
Salaries	138,813	109,720	112,295	23,182	39,642	5,682	56,732	41,597	527,663
Payroll Taxes and Benefits	48,648	46,233	45,398	8,569	11,299	1,999	19,976	12,779	194,901
Grants to Health Departments	-	-	-	-	-	28,540	-	-	28,540
Meetings, Conferences and Trainings	79,263	58,915	43,522	8,250	20	200	55,276	3,299	248,745
Consultants and Subcontractors	23,919	26,799	38,448	-	5,476	4,091	70,854	9,063	178,650
Communications	2,113	3,663	4,276	100	248	23	1,509	871	12,803
Rent	5,304	5,516	6,841	-	-	-	3,978	2,068	23,707
Travel	-	479	2,534	3,907	-	-	14,123	1,384	22,427
Office Expense	3,739	6,544	7,421	-	962	-	9,835	(1,228)	27,273
Insurance	<u>1,227</u>	<u>1,247</u>	<u>1,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,641</u>
Total Expenses Before Indirect Costs	303,026	259,116	261,902	44,008	57,647	40,535	232,283	69,833	1,268,350
Indirect Costs	<u>(1,315)</u>	<u>10,067</u>	<u>2,539</u>	<u>3,413</u>	<u>6,108</u>	<u>151</u>	<u>1,933</u>	<u>12,004</u>	<u>34,900</u>
Total Expenses	<u>\$ 301,711</u>	<u>\$ 269,183</u>	<u>\$ 264,441</u>	<u>\$ 47,421</u>	<u>\$ 63,755</u>	<u>\$ 40,686</u>	<u>\$ 234,216</u>	<u>\$ 81,837</u>	<u>\$ 1,303,250</u>