

**NEW YORK STATE ASSOCIATION OF BLACK,
PUERTO RICAN, HISPANIC & ASIAN LEGISLATORS, INC.**

**Financial Statements – Modified Cash Basis
For the Year Ended September 30, 2019
With Independent Auditor’s Report**



MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

**NEW YORK STATE ASSOCIATION OF BLACK,
PUERTO RICAN, HISPANIC & ASIAN LEGISLATORS, INC.**
Year Ended September 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
New York State Association of Black, Puerto Rican,
Hispanic & Asian Legislators, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of New York State Association of Black, Puerto Rican, Hispanic & Asian Legislators, Inc. (formerly known as New York State Association of Black and Puerto Rican Legislators, Inc.), which comprise the statement of financial position - modified cash basis as of September 30, 2019, the related statements of activities and changes in net assets, functional expenses and cash flows - modified cash basis for the year 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 misstatements.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of risks of material misstatement of 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

80 Pine Street
New York, NY 10005
T +1 212 709 4500
F +1 212 709 4680
mitchelltitus.com



MITCHELL TITUS

purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York State Association of Black, Puerto Rican, Hispanic & Asian Legislators, Inc. as of September 30, 2019 and the changes in its net assets and cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements; which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to the matter.

Mitchell Titus, LLP

November 3, 2020

**NEW YORK STATE ASSOCIATION OF BLACK,
PUERTO RICAN, HISPANIC & ASIAN LEGISLATORS, INC.**
Statement of Financial Position
Modified Cash Basis
As of September 30, 2019

ASSETS

Current assets

Cash	\$ 90,583
Total current assets	<u>90,583</u>

Fixed assets, net

Land	12,000
Building	188,000
Accumulated depreciation	<u>(121,025)</u>
Total fixed assets, net	<u>78,975</u>

Total assets	<u>\$ 169,558</u>
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LIABILITIES AND NET ASSETS

Net assets

Without donor restrictions	\$ 169,558
Total liabilities and net assets	<u>\$ 169,558</u>

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

**NEW YORK STATE ASSOCIATION OF BLACK,
 PUERTO RICAN, HISPANIC & ASIAN LEGISLATORS, INC.**
 Statement of Activities and Changes in Net Assets
 Modified Cash Basis
 For the Year Ended September 30, 2019

	Without Donor Restrictions
REVENUE	
Annual convention	\$ 592,521
Contribution	234,025
Rental income	15,300
Total revenue	<u>841,846</u>
EXPENSES	
Education and policy	351,375
Fund raising	334,365
Rental activity	8,304
Management and general	93,004
Total expenses	<u>787,048</u>
Change in net assets	54,798
Net assets, at beginning of year	<u>114,760</u>
Net assets, at end of year	<u><u>\$ 169,558</u></u>

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

**NEW YORK STATE ASSOCIATION OF BLACK,
PUERTO RICAN, HISPANIC & ASIAN LEGISLATORS, INC.**
Statement of Functional Expenses
Modified Cash Basis
For the Year Ended September 30, 2019

	<u>Education and policy</u>	<u>Annual convention</u>	<u>Rental activity</u>	<u>Management and general</u>	<u>Total</u>
<i>Annual convention</i>					
Entertainment	\$ -	\$ 35,914	\$ -	\$ -	\$ 35,914
Catering services	-	188,924	-	-	188,924
Event coordinators	40,618	8,382	-	-	49,000
Event decor	21,757	4,490	-	-	26,247
Event venues	114,426	50,453	-	-	164,879
Equipment rental	-	16,924	-	-	16,924
Security	8,878	1,832	-	-	10,710
Printing	25,369	5,235	-	-	30,604
Event speakers/clergy expense	6,632	1,368	-	-	8,000
Youth summit	13,146	-	-	-	13,146
Transportation	15,228	3,142	-	-	18,370
Other	2,694	555	-	-	3,249
	<u>248,748</u>	<u>317,219</u>	<u>-</u>	<u>-</u>	<u>565,967</u>
Executive director	43,375	10,101	-	5,942	59,418
Legal expenses	-	-	-	43,584	43,584
Scholarships	29,000	-	-	-	29,000
Office manager	9,172	2,136	-	1,257	12,565
Travel and meeting	-	-	-	5,514	5,514
Internet, cable and telephone	5,102	1,188	-	699	6,989
Utilities	-	-	3,338	3,118	6,456
Accounting fees	-	-	-	20,750	20,750
Insurance	3,869	901	-	529	5,299
Depreciation	-	-	2,350	2,350	4,700
Property tax	-	-	2,240	2,241	4,481
Merchant fees	-	-	-	4,161	4,161
Office expense	5,715	1,331	-	783	7,829
Interest expense	-	-	-	143	143
Bank charges	-	-	-	795	795
Repairs and maintenance	-	-	376	-	376
Meals and entertainment	-	-	-	262	262
Miscellaneous expenses	6,394	1,489	-	876	8,759
Total expenses	<u>\$ 351,375</u>	<u>\$ 334,365</u>	<u>\$ 8,304</u>	<u>\$ 93,004</u>	<u>\$ 787,048</u>

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

**NEW YORK STATE ASSOCIATION OF BLACK,
PUERTO RICAN, HISPANIC & ASIAN LEGISLATORS, INC.**
Statement of Cash Flows
Modified Cash Basis
For the Year Ended September 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	54,798
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities</i>		
Depreciation		<u>4,700</u>
Cash flows provided by operating activities		<u>59,498</u>
Net increase in cash		59,498
Cash, at beginning of year		<u>31,085</u>
Cash, at end of year	\$	<u>90,583</u>

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

**NEW YORK STATE ASSOCIATION OF BLACK,
PUERTO RICAN, HISPANIC & ASIAN LEGISLATORS, INC.**
Notes to Financial Statements
For the Year Ended September 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION

Nature of Operations

New York State Association of Black, Puerto Rican, Hispanic & Asian Legislators, Inc. (formerly known as New York State Association of Black and Puerto Rican Legislators, Inc.; the Organization) is dedicated to engaging New York State residents, especially minority communities, in dialogue about issues and policies that are having an impact at any given time on their communities by providing information and tools and through presentation of issue-focused workshops. The Organization hosts annual conventions which provides an arena at which community service, educational advancement, community development, and economic development across the state is recognized. The Organization's fundamental purpose is to promote the common good, social and general welfare of the various people of the community; foster and maintain an interest in racial tolerance in the world; to encourage the development of the community and promote economic growth.

Basis of Accounting

The Organization has prepared these financial statements on the modified cash basis of accounting. Under this method, revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the related obligation is incurred. Modifications to the cash basis of accounting result from management's decision to record fixed assets and the related accumulated depreciation in the accompanying statement of financial position - modified cash basis.

Revenue

Revenue is primarily derived from the Organization's annual convention, which includes the annual gala, booth rentals from Business/Career Expo, luncheons and concert events. Revenue that includes annual convention, contributions, including unconditional promises to give, and rental income are recognized as revenue in the period received.

Expenses Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities – modified cash basis, which includes all expenses paid during the year. Accordingly, certain costs have been allocated among programs and supporting services benefited. Management and general 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.

**NEW YORK STATE ASSOCIATION OF BLACK,
PUERTO RICAN, HISPANIC & ASIAN LEGISLATORS, INC.**
Notes to Financial Statements
For the Year Ended September 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION
(continued)

Net Assets

Net assets, revenue, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions.

Cash

The Organization considers deposits that can be redeemed on demand and investments that have original maturities of less than three months, when purchased, to be cash equivalents. There are no cash equivalents as of September 30, 2019.

Fixed Assets

Fixed assets that the Organization retains title to and capital items purchased, which benefit future periods, are capitalized at cost.

Fixed assets are depreciated over the estimated useful lives of the assets using the straight-line method. Fixed assets consist of a two-story building that the Organization purchased in 1994, which is depreciated over the useful life of 40 years.

The Organization evaluates impairments on fixed assets, which are held for use, whenever events or circumstances indicate that impairment may exist. Management has determined that fixed assets were not impaired at September 30, 2019.

Donated Services

Donated services are recognized in circumstances when they create or enhance non-financial assets or where those services require specialized skills are provided by individuals possessing those skills.

Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization. These services have not been recorded in the financial statements because they do not meet the criteria for recognition as outlined above.

**NEW YORK STATE ASSOCIATION OF BLACK,
PUERTO RICAN, HISPANIC & ASIAN LEGISLATORS, INC.**
Notes to Financial Statements
For the Year Ended September 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION
(continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization qualifies as charitable organizations as defined by Internal Revenue Code (IRC) Section 501(c)(3) and, accordingly, is exempt from Federal income tax under IRC Section 501(a). The Organization is also exempt from state and local income taxes.

U.S. GAAP requires management to evaluate uncertain tax positions taken by the Organization. The financial statement effects of a tax position are recognized when the position is more-likely-than-not, based on the technical merits, to be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that as of September 30, 2019, there were no uncertain tax positions taken or expected to be taken. The Organization has recognized no interest or penalties related to uncertain tax positions. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2016.

Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through November 3, 2020, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. As a result, economic uncertainties have arisen which could negatively impact the activities of the Organization. Other financial impacts could occur though such potential implications are unknown at this time. No adjustments or provisions were made in these financial statements related to COVID-19.

**NEW YORK STATE ASSOCIATION OF BLACK,
PUERTO RICAN, HISPANIC & ASIAN LEGISLATORS, INC.**
Notes to Financial Statements
For the Year Ended September 30, 2019

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 the statement of financial position date, consist of the cash balance of \$90,583 as of September 30, 2019. As a part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

