

**DRAFT**

**NEW JERSEY ASSOCIATION OF  
HOUSING AND REDEVELOPMENT AUTHORITIES**

**FINANCIAL STATEMENTS  
For the Years Ended  
September 30, 2015 and 2014**

NEW JERSEY ASSOCIATION OF HOUSING  
AND REDEVELOPMENT AUTHORITIES

**DRAFT**

FINANCIAL STATEMENTS

For the Years Ended September 30, 2015 and 2014

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CERTIFIED PUBLIC ACCOUNTANTS

**DRAFT**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
New Jersey Association of  
Housing and Redevelopment Authorities  
Brick, New Jersey

We have audited the accompanying financial statements of the New Jersey Association of Housing and Redevelopment Authorities (the Association) (a nonprofit organization), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities 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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of September 30, 2015 and 2014, 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.

CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey  
January 25, 2016

**NEW JERSEY ASSOCIATION OF HOUSING  
AND REDEVELOPMENT AUTHORITIES  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2015 AND 2014**

<b>DRAFT</b>
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	<u>ASSETS</u>	
	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 113,257	\$ 115,015
Trade Accounts Receivable	<u>6,738</u>	<u>14,021</u>
Total Current Assets	<u>119,995</u>	<u>129,036</u>
<b>Total Assets</b>	<u>\$ 119,995</u>	<u>\$ 129,036</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 63,417	\$ 57,700
<b>NET ASSETS</b>		
Total Unrestricted Net Assets	<u>56,578</u>	<u>71,336</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 119,995</u>	<u>\$ 129,036</u>

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

**NEW JERSEY ASSOCIATION OF HOUSING  
AND REDEVELOPMENT AUTHORITIES  
STATEMENTS OF ACTIVITIES**

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**FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>		
Membership Dues	\$ 13,375	\$ 12,630
Program Income (net of refunds)	69,067	67,243
Other income	39,204	38,605
	121,646	118,478
<b>OPERATING EXPENSES</b>		
Executive Director Compensation	30,040	30,040
Legal Expense	2,400	2,400
Program Expenses	85,076	85,459
Office Supplies and Expense	4,524	1,913
Officer Travel and Meeting Expense	5,096	5,138
Accounting Fees	3,150	1,575
Audit Fees	1,750	1,750
Dues and Subscriptions	265	778
Travel	253	481
Administrative Services	3,900	3,900
	136,454	133,434
Excess of Operating Revenues Over Expenses	(14,808)	(14,956)
<b>NON OPERATING REVENUES</b>		
Interest Income	50	50
	(14,758)	(14,906)
<b>INCREASE IN NET ASSETS</b>		
Beginning Net Assets	71,336	86,242
Ending Net Assets	\$ 56,578	\$ 71,336

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

**NEW JERSEY ASSOCIATION OF HOUSING  
AND REDEVELOPMENT AUTHORITIES**

<b>DRAFT</b>
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**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash received from membership dues, programs and other	\$ 128,929	\$ 111,357
Cash paid to suppliers and contractors	(130,737)	(150,612)
Interest received	50	50
<b>NET CASH PROVIDED/(USED BY) OPERATING ACTIVITIES</b>	<u>(1,758)</u>	<u>(39,205)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,758)	(39,205)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>115,015</u>	<u>154,220</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 113,257</u>	<u>\$ 115,015</u>
 <b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (14,758)	\$ (14,906)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Changes in operating assets and liabilities		
Accounts receivable	7,283	(7,121)
Accounts payable	5,717	(17,178)
<b>NET CASH PROVIDED/(USED BY) OPERATING ACTIVITIES</b>	<u>\$ (1,758)</u>	<u>\$ (39,205)</u>

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

NEW JERSEY ASSOCIATION OF HOUSING  
AND REDEVELOPMENT AUTHORITIES

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NOTES TO FINANCIAL STATEMENTS  
For the Years Ended September 30, 2015 and 2014

**Note 1- Summary of Significant Accounting Policies**

Organization - The New Jersey Association of Housing and Redevelopment Authorities (the Association) is a not-for-profit organization incorporated under the laws of the state of New Jersey.

Nature of Activities – The Association is an organization of public housing and redevelopment authorities whose purpose is to keep its members informed and educated on all information and topics affecting the operation and administration of affordable housing and redevelopment programs.

Method of Accounting – The financial statements of the Association are prepared using the accrual method of accounting.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board under which the Association is required to report information regarding its financial position and activities according to three classes of assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Association does not have any temporarily restricted or permanently restricted net assets.

Use of Estimates – The process of preparing financial statements in conformity with generally accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, net assets, and functional expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the Association considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Income Taxes – The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. The Association implemented the provisions of FASB ASC Topic 740, *Accounting for Uncertainty in Income Taxes*, as of October 1, 2009. As of September 30, 2013, the Association had no uncertain tax positions that qualify for disclosure in the financial statements. The Association files an annual Form 990 with the Internal Revenue service and its tax returns for the year 2010 and subsequent years remain subject to examination by tax authorities.

NEW JERSEY ASSOCIATION OF HOUSING  
AND REDEVELOPMENT AUTHORITIES

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NOTES TO FINANCIAL STATEMENTS  
For the Years Ended September 30, 2015 and 2014

**Note 1- Summary of Significant Accounting Policies (continued)**

Accounts Receivable – Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through revenue and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Management has determined that no allowance for doubtful accounts was required at September 30, 2015 and 2014.

Revenue Recognition – Revenue and expenses are recorded on the accrual basis. Membership dues and conference revenues are recorded in the period in which they are earned.

Commitments and Contingencies – The Association receives a substantial amount of its support from its members. A significant reduction in the level of this support, if this were to occur, may have an effect on the Association's programs and activities.

**Note 2- Accounts Receivable**

Accounts receivable of \$6,900 and \$14,021 at September 30, 2015 and 2014, respectively, consist of conference sponsorship and registration fees.

**Note 3- Subsequent Events**

The Association has evaluated subsequent events through January 25, 2016, the date the financial statements were available to be issued.