

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

**FINANCIAL STATEMENTS
For the Years Ended
September 30, 2020 and 2019**

NEW JERSEY ASSOCIATION OF HOUSING
AND REDEVELOPMENT AUTHORITIES

FINANCIAL STATEMENTS

For the Years Ended September 30, 2020 and 2019

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Polcari & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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, 2020 and 2019, 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, 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.

Polcari & Company
CERTIFIED PUBLIC ACCOUNTANTS

Wayne, New Jersey
April 20, 2021

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**NEW JERSEY ASSOCIATION OF HOUSING
AND REDEVELOPMENT AUTHORITIES
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2020 AND 2019**

	<u>ASSETS</u>	
	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 97,406	\$ 112,462
Trade Accounts Receivable	<u>175</u>	<u>5,825</u>
 Total Current Assets	 <u>97,581</u>	 <u>118,287</u>
 Total Assets	 <u>\$ 97,581</u>	 <u>\$ 118,287</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 3,174	\$ 36,958
 NET ASSETS		
Net Assets Without Donor Restrictions	94,407	81,329
Net Assets With Donor Restrictions	<u>-</u>	<u>-</u>
Total Net Assets	<u>94,407</u>	<u>81,329</u>
 Total Liabilities and Net Assets	 <u>\$ 97,581</u>	 <u>\$ 118,287</u>

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

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

STATEMENTS OF ACTIVITES

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Membership Dues	\$ 12,975	\$ 14,175
Program Income (net of refunds)	3,315	59,056
Other income	<u>30,139</u>	<u>40,185</u>
 Total Operating Revenue	 <u>46,429</u>	 <u>113,416</u>
OPERATING EXPENSES		
Program Services		
Conference Hotel	6,129	41,985
Gifts and Awards	603	3,093
Printing	-	443
Total Program Services	<u>6,732</u>	<u>45,521</u>
General and Administrative		
Executive Director Compensation	12,000	12,000
Legal Expense	2,400	2,400
Office Supplies and Expense	2,573	2,899
Officer Travel and Meeting Expense	135	2,210
Accounting Fees	3,150	3,150
Audit Fees	2,000	2,000
Dues and Subscriptions	514	339
Travel	-	136
Administrative Services	<u>3,900</u>	<u>3,900</u>
Total General and Administrative	<u>26,672</u>	<u>29,034</u>
Total Operating Expenses	<u>33,404</u>	<u>74,555</u>
 Excess of Operating Revenues Over Expenses	 13,025	 38,861
NON OPERATING REVENUES		
Interest Income	<u>53</u>	<u>37</u>
 INCREASE IN NET ASSETS	 13,078	 38,898
Beginning Net Assets	<u>81,329</u>	<u>42,431</u>
Ending Net Assets	<u>\$ 94,407</u>	<u>\$ 81,329</u>

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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from membership dues, programs and other	\$ 52,079	\$ 108,791
Cash paid to suppliers and contractors	<u>(67,188)</u>	<u>(69,337)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	(15,109)	39,454
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	<u>53</u>	<u>37</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(15,056)	39,491
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>112,462</u>	<u>72,971</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 97,406</u>	<u>\$ 112,462</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 13,025	\$ 38,861
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Changes in operating assets and liabilities		
Accounts receivable	5,650	(4,625)
Accounts payable	<u>(33,784)</u>	<u>5,218</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (15,109)</u>	<u>\$ 39,454</u>

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

NEW JERSEY ASSOCIATION OF HOUSING
AND REDEVELOPMENT AUTHORITIES

NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2020 and 2019

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 two classes of assets: net assets with donor restrictions and net assets without donor restrictions. Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Association, 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 operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. The Association does not have any net assets with donor restrictions.

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.

NEW JERSEY ASSOCIATION OF HOUSING
AND REDEVELOPMENT AUTHORITIES

NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2020 and 2019

Note 1- Summary of Significant Accounting Policies (continued)

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, 2020 and 2019, 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 2014 and subsequent years remain subject to examination by tax authorities.

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, 2020 and 2019.

Revenue Recognition – Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing membership services to its members. The Association bills members annually with amounts due when billed. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term of one year. Therefore, payments received in advance are included in deferred revenue. Membership dues are nonrefundable. Conference revenue is derived from registration fees charged to attendees and corporate sponsorships. Revenue from registration fees and sponsorships are recognized when the conference is held. Revenue collected in advance of the event is recorded as deferred revenue until the event occurs.

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.

Functional Expense Allocations – The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Those studies consider the time devoted by the Association's personnel and the portion of its resources used in providing various program services and other activities, and have been deemed equitable by management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association.

NEW JERSEY ASSOCIATION OF HOUSING
AND REDEVELOPMENT AUTHORITIES

NOTES TO FINANCIAL STATEMENTS
For the Years Ended September 30, 2020 and 2019

Note 1- Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Principle - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). This standard outlines a single comprehensive model which the Association is required to use in accounting for revenue from contracts with its customers and supersedes the most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that revenue is recognized when a lessee or client obtains control of a good or service. This occurs when it has the ability to direct the use and obtains benefits from the good or service. Transfer of control is not the same as transfer of risk and rewards, as it is considered in the current guidance. The Association also considered whether revenue should be recognized over time or at a point in time. The Association adopted this ASU during the year ended September 30, 2020 and has concluded that no timing or recognition changes are necessary to conform with the new standard

Note 2- Accounts Receivable

Accounts receivable of \$175 and \$5,825 at September 30, 2020 and 2019, respectively, consist of conference sponsorship and registration fees.

Note 3- Liquidity and Availability of Financial Assets

All of the Association's financial assets as of the statement of financial position date consists of cash and cash equivalents and are available to meet general obligations within one year.

Note 4- Subsequent Events

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of the organization's activities. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Company expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

The Association has evaluated subsequent events through April 20, 2021, the date the financial statements were available to be issued.