

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES
(A NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Alabama Association of Housing
and Redevelopment Authorities

We have audited the accompanying financial statements of Alabama Association of Housing and Redevelopment Authorities, (the "Association") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities and cash flows 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 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 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 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 Alabama Association of Housing and Redevelopment Authorities, as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Moody + Company

January 11, 2021
Odenville, Alabama

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020**

Assets

Current Assets

Cash and cash equivalents	\$ 95,507
Accounts receivable	22,100
Investments	250,667
Prepaid expense	19,500
Total Assets	387,774

Noncurrent Assets

	-
	\$ 387,774

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 8,701
Total current liabilities	8,701

Net Assets

Without donor restrictions	379,073
Total Liabilities and Net Assets	\$ 387,774

See notes to financial statements.

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Revenues

Annual meeting revenues	\$ -
Registration and workshop revenues	5,700
Membership and dues	66,849
Contributions	-
Interest revenue	8,451
Total revenues	<u>81,000</u>

Operating Expenses

Program Services:	
Annual meeting expense	10,993
Workshops expense	2,068
Lobbying expense	48,098
Donations	8,451
Supporting Services:	
Administration	25,352
Total operating expenses	<u>94,962</u>

Change in Net Assets Without Donor Restrictions (13,962)

Net assets, beginning of the year 393,035

Net assets, end of the year \$ 379,073

See notes to financial statements.

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Cash Flows From Operating Activities:

Change in net assets from operations \$ (13,962)

Adjustments to reconcile Change in Net Assets to Net Cash

Provided (used) by Operating Activities:

Decrease (increase) in accounts receivable	10,657
Decrease (increase) in accrued interest receivable	-
Decrease (increase) in prepaid expenses	(19,360)
(Decrease) increase in accounts payable	<u>(3,742)</u>
Net cash (used by) operating activities	<u>(26,407)</u>

Cash Flows Provided By Investing Activities:

Purchase of investments (10,654)

Net cash (used by) operating activities (10,654)

Net (decrease) in cash and cash equivalents (37,061)

Cash and cash equivalents beginning of year 132,568

Cash and cash equivalents end of year \$ 95,507

See notes to financial statements.

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Alabama Association of Housing and Redevelopment Authorities (AAHRA) is incorporated as a non-profit organization under the laws of the State of Alabama.

Nature of Activities – AAHRA is an organization of public housing authorities in the State of Alabama whose purpose is to improve the quality and management of assisted housing programs through seminars and workshops and the representation of public housing to the Department of Housing and Urban Development.

AAHRA provides a number of program services to members. These services include: the presentation of educational sessions at annual conferences and conventions; research and analysis on federal housing issues; production of a newsletter; maintenance of an informational internet website; the interpretation of the Department of Housing and Urban Development’s regulations and policies.

AAHRA is guided by the Board of Directors with the management of business and affairs generally vested in the executive committee. Their principal funding sources consist of annual membership dues, conferences, seminars and workshop fees.

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

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) ASC 958 (formerly known as FASB N. 117, “Financial Statements of Not-for-Profit Organizations”.) Under FASB ASC 958, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. AAHRA does not have any temporarily or permanently restricted net assets at September 30, 2020.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles includes the use of management’s estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition – Revenue and expenses are recorded on the accrual basis. Membership dues, workshop and conference revenues are recorded as income in the period in which they are earned. Amounts that have been collected but not earned are recorded as deferred revenue.

Federal Income Tax – AAHRA is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, cash equivalents include certificates of deposit with original maturities of three months or less. All bank deposits are fully covered by FDIC insurance limits at year ended September 30, 2020.

Investments – Investments with an original maturity which exceeds 90 days when purchased are considered investments.

Accounts Receivable – AAHRA uses the allowance method to account for uncollectible accounts receivable. Receivables are reported net of an allowance for uncollectible accounts.

Contributions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the organization reports the support as unrestricted.

Subsequent Events- In preparing the financial statement, management evaluated subsequent events through January 11, 2021 the date the financial statements were available to be issued.

NOTE 2 – FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing various programs and activities have been summarized on a functional basis in the statement of activities. All costs have been allocated to the programs benefited.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

AAHRA 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 programs and activities.

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020**

NOTE 4 – CORONAVIRUS

The spread of a novel strain of coronavirus (COVID-19) in the first quarter of 2020 has caused significant volatility in U.S. markets. There is a significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on AAHRA's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on customers, employees and vendors, all of which are uncertain and cannot be determined at this time.

During the current fiscal year, the Annual Meeting was canceled due to concerns over COVID-19. Management of AAHRA expects this to be a one-time event and hopes to continue normal operations in 2021 and future years.