

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

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2021**

**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, 2021, 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, 2021, 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*

November 30, 2021  
Odenville, Alabama

**ALABAMA ASSOCIATION OF HOUSING AND  
REDEVELOPMENT AUTHORITIES  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2021**

**Assets**

**Current Assets**

Cash and cash equivalents	\$ 94,345
Accounts receivable	28,224
Investments	256,206
Prepaid expense	13,000
Total Assets	<u>391,775</u>

**Noncurrent Assets**

-
<u>\$ 391,775</u>

**Liabilities and Net Assets**

**Current Liabilities**

Accounts payable	\$ 9,611
Total current liabilities	<u>9,611</u>

**Net Assets**

Without donor restrictions	<u>382,164</u>
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Total Liabilities and Net Assets	<u><u>\$ 391,775</u></u>
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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, 2021**

**Revenues**

Annual meeting revenues	\$ 28,375
Registration and workshop revenues	162,325
Membership and dues	117,779
Contributions	10,087
Interest revenue	5,542
Total revenues	<u>324,108</u>

**Operating Expenses**

Program Services:	
Annual meeting expense	217,002
Workshops expense	27,460
Lobbying expense	48,000
Donations	6,477
Supporting Services:	
Administration	22,078
Total operating expenses	<u>321,017</u>

Change in Net Assets Without Donor Restrictions 3,091

Net assets, beginning of the year 379,073

Net assets, end of the year \$ 382,164

See notes to financial statements.

**ALABAMA ASSOCIATION OF HOUSING AND  
REDEVELOPMENT AUTHORITIES  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<b>Cash Flows From Operating Activities:</b>	
Change in net assets from operations	\$ 3,091
Adjustments to reconcile Change in Net Assets to Net Cash	
Provided (used) by Operating Activities:	
Decrease (increase) in accounts receivable	(6,124)
Decrease (increase) in accrued interest receivable	
Decrease (increase) in prepaid expenses	6,500
(Decrease) increase in accounts payable	910
Net cash provided by operating activities	4,377
<b>Cash Flows Provided By Investing Activities:</b>	
Purchase of investments	(5,539)
Net cash (used by) operating activities	(5,539)
Net (decrease) in cash and cash equivalents	(1,162)
Cash and cash equivalents beginning of year	95,507
Cash and cash equivalents end of year	\$ 94,345

See notes to financial statements.

**ALABAMA ASSOCIATION OF HOUSING AND  
REDEVELOPMENT AUTHORITIES  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**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.

*Financial Statement Presentation* – In accordance with current professional standards applicable to non-profits, the Association is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*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.

*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.



**ALABAMA ASSOCIATION OF HOUSING AND  
REDEVELOPMENT AUTHORITIES  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
SEPTEMBER 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*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, 2021.

*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 November 30, 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.

**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.