

**THE NEW JERSEY CREDIT UNION
FOUNDATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018



SOBEL & CO. LLC

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

THE NEW JERSEY CREDIT UNION FOUNDATION

DECEMBER 31, 2019 AND 2018

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
The New Jersey Credit Union Foundation
Hightstown, New Jersey

We have reviewed the accompanying financial statements of The New Jersey Credit Union Foundation ("Foundation"), a nonprofit organization, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Certified Public Accountants

Livingston, New Jersey
May 29, 2020

THE NEW JERSEY CREDIT UNION FOUNDATION
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2019	2018
ASSETS		
Cash	\$ 207,089	\$ 186,248
Accounts receivable	4,189	3,875
Due from related party	97	-
Prepaid and other assets	162	2,171
	<u>\$ 211,537</u>	<u>\$ 192,294</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accrued expenses	\$ 21,071	\$ 3,722
Due to related party	-	2,285
Total Liabilities	<u>21,071</u>	<u>6,007</u>

COMMITMENTS AND CONTINGENCIES

NET ASSETS:

Net assets without donor restrictions	138,278	141,213
Net assets with donor restrictions	52,188	45,074
Net assets	<u>190,466</u>	<u>186,287</u>
	<u>\$ 211,537</u>	<u>\$ 192,294</u>

THE NEW JERSEY CREDIT UNION FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended December 31, 2019			Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
CONTRIBUTIONS AND REVENUE						
Contributions	\$ 24,003	\$ 13,675	\$ 37,678	\$ 19,989	\$ 12,175	\$ 32,164
Contributed services	19,502	-	19,502	35,646	-	35,646
Casino night	20,960	-	20,960	19,990	-	19,990
Special events	10,078	-	10,078	12,380	-	12,380
Interest income	2,037	-	2,037	1,121	-	1,121
Releases from restriction	6,561	(6,561)	-	8,104	(8,104)	-
Total Contributions and Revenue	83,141	7,114	90,255	97,230	4,071	101,301
EXPENSES						
Program expenses	64,865	-	64,865	76,335	-	76,335
General and administrative expenses	7,568	-	7,568	8,428	-	8,428
Fundraising expenses	13,643	-	13,643	14,023	-	14,023
Total Expenses	86,076	-	86,076	98,786	-	98,786
CHANGES IN NET ASSETS	(2,935)	7,114	4,179	(1,556)	4,071	2,515
Net Assets - Beginning of year	141,213	45,074	186,287	142,769	41,003	183,772
Net Assets - End of year	\$ 138,278	\$ 52,188	\$ 190,466	\$ 141,213	\$ 45,074	\$ 186,287

THE NEW JERSEY CREDIT UNION FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2019				Year Ended December 31, 2018			
	Program	General and Administrative		Total Expenses	Program	General and Administrative	Fundraising	Total Expenses
Grants awarded	\$ 20,200	\$ -	\$ -	\$ 20,200	\$ 20,200	\$ -	\$ -	\$ 20,200
REAL solutions	29,051	-	-	29,051	25,878	-	-	25,878
Administrative support	15,114	1,138	-	16,252	30,257	2,277	-	32,534
Exhibiting expense	500	-	-	500	-	-	-	-
Insurance	-	1,951	-	1,951	-	1,953	-	1,953
Professional fees	-	3,250	-	3,250	-	3,150	-	3,150
Office expense	-	1,229	-	1,229	-	1,048	-	1,048
Casino night expenses	-	-	13,108	13,108	-	-	10,100	10,100
Other special event expenses	-	-	535	535	-	-	3,923	3,923
Total Expenses	\$ 64,865	\$ 7,568	\$ 13,643	\$ 86,076	\$ 76,335	\$ 8,428	\$ 14,023	\$ 98,786

THE NEW JERSEY CREDIT UNION FOUNDATION
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2019	2018
CASH FLOWS PROVIDED BY:		
<u>OPERATING ACTIVITIES:</u>		
Changes in net assets	\$ 4,179	\$ 2,515
Changes in certain assets and liabilities:		
Accounts receivable	(314)	(1,218)
Due to/from related party	(2,382)	3,926
Prepaid and other assets	2,009	(1,541)
Accrued expenses	17,349	3,722
Net Cash Provided by Operating Activities	<u>20,841</u>	<u>7,404</u>
<u>FINANCING ACTIVITIES:</u>		
Proceeds from sale of investments	<u>-</u>	<u>1,031</u>
NET INCREASE IN CASH	20,841	8,435
CASH:		
Beginning of year	<u>186,248</u>	<u>177,813</u>
End of year	<u><u>\$ 207,089</u></u>	<u><u>\$ 186,248</u></u>

THE NEW JERSEY CREDIT UNION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 - NATURE OF ORGANIZATION:

The New Jersey Credit Union Foundation (“Foundation”) is a charitable and educational 501(c)(3) nonprofit. Its mission is to promote greater financial literacy among consumers, to provide support and assistance to credit unions, so they can better serve their members, and to support other nonprofit organizations that provide financial educational assistance – all in the state of New Jersey.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation:

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

Net Assets Without Restrictions - Net assets not subject to donor-imposed or Board-designated stipulations.

Net Assets With Restrictions - Net assets subject to donor-imposed or Board-designated stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. Also, other net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Cash:

Cash consists of funds held in interest- and noninterest-bearing bank accounts.

Accounts Receivable:

The Foundation charges uncollectible accounts receivable to operations when they are determined to be uncollectible. Accounts receivable has been reviewed by management and it has been determined that an allowance for doubtful accounts as of December 31, 2019 and 2018, is not necessary.

THE NEW JERSEY CREDIT UNION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributions and Revenue Recognition:

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions with restrictions that are met in the same reporting period as they are received are reported as unrestricted support.

Income Tax Status:

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not liable for federal and state income taxes.

The Foundation follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Foundation's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Foundation's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest and penalties were recorded during 2019 and 2018. At December 31, 2019 and 2018, there are no significant income tax uncertainties.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent 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.

Subsequent Events:

The Foundation has evaluated events subsequent to the statement of financial position date as of December 31, 2019 through May 29, 2020, the date that the financial statements were available to be issued.

THE NEW JERSEY CREDIT UNION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 3 - NET ASSETS WITH RESTRICTIONS:

Net assets with restrictions are restricted for the following purposes:

	December 31,	
	2019	2018
Subject to expenditure for specified purpose:		
Reality Fair - Grants	<u>\$ 52,188</u>	<u>\$ 45,074</u>

NOTE 4 - RELATED-PARTY TRANSACTIONS:

The Foundation received contributed management and administrative services from certain employees of the New Jersey Credit Union League (“NJCUL”). The Foundation is related to the NJCUL as a result of this management agreement. The donated services satisfy the requirements for recognition if the services: create or enhance nonfinancial assets or require specialized skills; are performed by people with those skills; and would otherwise be purchased by the Foundation.

The amounts recorded as revenue and corresponding expense amounted to \$19,502 and \$35,646 for the years ended December 31, 2019 and 2018, respectively. The Foundation also receives other volunteer services which do not meet the criteria and, therefore, are not valued.

Also, at December 31, 2019, NJCUL owed \$97 to the Foundation and at December 31, 2018, the Foundation owed \$2,285 to NJCUL.

NOTE 5 - FUNCTIONAL EXPENSES:

The costs of providing the various programs and other activities have been summarized on a functional basis on the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services. General and administrative expenses are those not directly identifiable with any specific function, but which provide for the overall support and direction of the Foundation.

The Foundation’s expenses are directly attributed to program or general and administrative expenses on the statements of functional expenses, with the exception of administrative support, which are direct costs.

THE NEW JERSEY CREDIT UNION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 - LIQUIDITY AND AVAILABILITY:

The following represents the Foundation's financial assets reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for general expenditure in the following year.

	December 31,	
	2018	2018
Cash	\$ 207,089	\$ 186,248
Accounts receivable	4,189	3,875
Due from related party	97	-
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 211,375</u>	<u>\$ 190,123</u>

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity plan, the Foundation strives to keep a minimum balance of cash on hand to meet the ongoing financial obligations. The Foundation typically maintains enough cash on hand to cover all liabilities.

NOTE 7 - CONTINGENCIES OF RISKS AND UNCERTAINTIES:

The Foundation is actively monitoring the recent COVID-19 outbreak and its potential impact on our employees, volunteers, donors, consumers, and operations. While we do not expect that the virus will have a material adverse effect on our operations or financial results at this time, we are unable to predict the impact that COVID-19 will have due to various uncertainties, including the severity of the disease, duration of the outbreak, and actions that may be taken by governmental authorities.