

ASSOCIATION OF NEW JERSEY
ENVIRONMENTAL COMMISSIONS
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

ASSOCIATION OF NEW JERSEY
ENVIRONMENTAL COMMISSIONS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Association of New Jersey Environmental Commissions

Report on Financial Statements

I have audited the accompanying financial statements of the Association of New Jersey Environmental Commissions (a nonprofit organization) which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association of New Jersey Environmental Commissions as of December 31, 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.

James M. Wood, CPA

June 29, 2021
Hillsborough, NJ

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash & cash equivalents	\$ 381,653	\$ 629,226
Investment securities	719,494	262,155
Accounts receivable	13,274	76,184
Total financial assets	<u>1,114,421</u>	<u>967,565</u>
Prepaid expenses & other current assets	5,200	2,223
Total current assets	<u>1,119,621</u>	<u>969,788</u>
Furniture & equipment, net	<u>8,526</u>	<u>5,305</u>
	<u>\$ 1,128,147</u>	<u>\$ 975,093</u>
Liabilities & Net Assets		
Current liabilities		
Accounts payable & accrued expenses	\$ 41,780	\$ 54,497
Loan payable	129,745	-
	<u>171,525</u>	<u>54,497</u>
Net assets		
Without donor restrictions		
Board-designated	153,408	106,405
Undesignated	589,397	615,557
	<u>742,805</u>	<u>721,962</u>
With donor restrictions	213,817	198,634
	<u>956,622</u>	<u>920,596</u>
	<u>\$ 1,128,147</u>	<u>\$ 975,093</u>

See accompanying notes to financial statements.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		2019		Total	Without Donor Restrictions	With Donor Restrictions	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions				
Support & Revenue								
Grants	\$ 332,327	\$ 207,347	\$ 539,674	\$ 412,692	\$ 337,779	\$ 412,692	\$ 337,779	\$ 750,471
Membership dues	91,050	-	91,050	86,700	-	86,700	-	86,700
Educational activities	5,870	-	5,870	20,685	-	20,685	-	20,685
Publications	284	-	284	311	-	311	-	311
Professional services	9,500	-	9,500	-	-	-	-	-
Contributions	176,309	8,255	184,564	174,405	4,000	174,405	4,000	178,405
Interest	615,340	215,602	830,942	694,793	341,779	694,793	341,779	1,036,572
Board-designated investment return	839	620	1,459	5,940	620	5,940	620	6,560
Other	7,219	-	7,219	7,002	-	7,002	-	7,002
	808	-	808	273	-	273	-	273
	624,206	216,222	840,428	708,008	342,399	708,008	342,399	1,050,407
Net assets released from restriction	201,039	(201,039)	-	223,298	(223,298)	223,298	(223,298)	-
Total support & revenue	825,245	15,183	840,428	931,306	119,101	931,306	119,101	1,050,407
Functional Expenses								
Program services								
Program	575,687	-	575,687	586,377	-	586,377	-	586,377
Environmental group coordination	37,698	-	37,698	49,205	-	49,205	-	49,205
	613,385	-	613,385	635,582	-	635,582	-	635,582
Supporting services								
Management & general	160,190	-	160,190	189,222	-	189,222	-	189,222
Fund raising	90,914	-	90,914	84,289	-	84,289	-	84,289
	251,104	-	251,104	273,511	-	273,511	-	273,511
Total functional expenses	864,489	-	864,489	909,093	-	909,093	-	909,093
Increase (decrease) in net assets before investment income	(39,244)	15,183	(24,061)	22,213	119,101	22,213	119,101	141,314
Investment income	60,087	-	60,087	119,611	-	119,611	-	119,611
Increase in net assets	20,843	15,183	36,026	141,824	119,101	141,824	119,101	260,925
Net assets								
Beginning of year	721,962	198,634	920,596	580,138	79,533	580,138	79,533	659,671
End of year	\$ 742,805	\$ 213,817	\$ 956,622	\$ 721,962	\$ 198,634	\$ 721,962	\$ 198,634	\$ 920,596

See accompanying notes to financial statements.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020					2019				
	Program Services		Support Services		Total	Program Services		Support Services		Total
	Program	Environmental Group Coordination	Administration	Fund Raising		Program	Environmental Group Coordination	Administration	Fund Raising	
Salaries & fringe benefits	\$ 416,905	\$ 29,617	\$ 133,307	\$ 78,982	\$ 658,811	\$ 392,133	\$ 36,878	\$ 151,428	\$ 72,768	\$ 653,207
Occupancy	10,735	751	3,314	2,074	16,874	10,711	1,007	4,137	1,988	17,843
Equipment	639	45	197	123	1,004	384	-	708	96	1,188
Telephone	5,789	405	1,787	1,118	9,099	5,063	476	1,955	940	8,434
Website	1,100	77	340	212	1,729	4,385	412	1,693	815	7,305
Supplies, postage & printing	21,042	283	2,080	5,160	28,565	16,460	202	2,255	3,346	22,263
Publications & materials	1,156	28	679	-	1,863	367	28	30	-	425
Consultants	75,769	4,812	10,554	925	92,060	80,952	7,634	8,666	450	97,702
Workshops	4,218	60	30	-	4,308	29,036	623	1,007	100	30,766
Municipal grants	19,214	-	-	-	19,214	21,950	-	-	-	21,950
Lobbying	-	-	1,000	-	1,000	-	-	10	-	10
Scholarships	1,200	-	-	-	1,200	-	-	-	-	-
Travel	4,314	1,015	252	343	5,924	13,429	1,518	6,810	2,294	24,051
Projects	9,478	-	-	-	9,478	6,963	-	-	-	6,963
Other	1,202	400	5,747	1,412	8,761	1,917	180	9,509	1,004	12,610
Depreciation	2,926	205	903	565	4,599	2,627	247	1,014	488	4,376
	<u>\$ 575,687</u>	<u>\$ 37,698</u>	<u>\$ 160,190</u>	<u>\$ 90,914</u>	<u>\$ 864,489</u>	<u>\$ 586,377</u>	<u>\$ 49,205</u>	<u>\$ 189,222</u>	<u>\$ 84,289</u>	<u>\$ 909,093</u>

See accompanying notes to financial statements.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Increase in net assets	\$ 36,026	\$ 260,925
Adjustments to reconcile increase in net assets to cash provided by (used in) operating activities		
Depreciation	4,599	4,376
Loss (gain) on investment securities	(60,087)	(119,611)
(Increase) decrease in:		
Accounts receivable	62,910	(36,068)
Prepaid expenses & other current assets	(2,977)	(53)
Increase (decrease) in:		
Accounts payable & accrued expenses	(12,717)	17,045
Notes payable	129,745	-
Grants received in advance	-	(217,228)
	157,499	(90,614)
Cash provided by (used in) operating activities		
	157,499	(90,614)
Cash flows from investing activities		
Proceeds from sale of investment securities	97,711	890,301
Acquisition of investment securities	(494,963)	(277,929)
Acquisition of furniture & equipment	(7,820)	(1,031)
	(405,072)	611,341
Cash (used in) provided by investing activities		
	(405,072)	611,341
Increase (decrease) in cash & cash equivalents	(247,573)	520,727
Cash & cash equivalents, beginning of year	629,226	108,499
Cash & cash equivalents, end of year	\$ 381,653	\$ 629,226

See accompanying notes to financial statements.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

(1) **Summary of Significant Accounting Policies**

Nature of activities

The Association of New Jersey Environmental Commissions (ANJEC) is a private, not-for-profit organization which exists to promote the public interest in long-term natural resource protection and sustainable development by establishing environmental commissions and educating local officials and concerned citizens. Founded in 1969, ANJEC provides professional guidance, research and training services to the municipal environmental commissions in the State of New Jersey. ANJEC assists local environmental commissions in fulfilling their municipal responsibilities.

ANJEC serves as a liaison among local environmental commissions and between state and federal agencies. This role is fulfilled through: publishing a quarterly journal, newsletters, manuals, and alerts; conducting training courses; maintaining a library, reference service and a comprehensive web site; and providing pass-through grants to municipalities with environmental commissions.

Basis of presentation

In accordance with generally accepted accounting principles in the United States, ANJEC reports its statements of financial position and activities on the accrual basis of accounting according to two classes of net assets: without donor restrictions and with donor restrictions. Revenue with donor restrictions which is expended in the year of recognition is presented as without donor restrictions for financial statement presentation.

Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor-imposed conditions.

Grants

Grants received from foundations are treated as contributions and are recorded as without or with donor restrictions depending on the nature of any donor imposed conditions. Grants which are conditional in nature are recognized when the underlying conditions are substantially satisfied.

Revenue

Revenue is derived primarily from foundational grants, charitable contributions, and membership dues. Additional revenue is earned through educational programs and publications.

Investment securities

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of activities. Investments consist of exchange-traded funds, preferred stock, and equity securities.

It is the intent of ANJEC's trustees to reinvest earnings, including dividends, recognized gains and unrealized gains, derived from mutual funds and equity securities. Interest earnings from deposit accounts and debt securities are intended for use in operating activities.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

Functional expenses

Expenses are charged to each program or cost center based on direct expenditures incurred. Any expenses not directly chargeable are allocated to programs based on applicable rates determined by management.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash & cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash and other highly liquid cash instruments (money market accounts).

Concentrations of credit and market risk

Cash, and cash equivalents

Concentrations of credit and market risk exist in ANJEC's holdings of cash and money market funds. Cash is placed at high-quality financial institutions, and credit exposure is limited at any one institution. ANJEC has not experienced any losses on these items, and there is no significant concentration of market risk inasmuch as said investments and deposits are adequately diversified among issuers.

Investment securities

Investment securities are carried at fair value and are subject to market fluctuations. ANJEC has experienced gains and losses on these items, and has planned a diversified investment portfolio to mitigate market risks and fluctuations. However, future losses may be incurred in the event of a decline in fair values of these securities.

Grant revenue

ANJEC receives approximately 64% of its revenue from grants from various foundations, with no single grant representing more than 11% of total revenue.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

Fair value of financial instruments

Financial instruments are carried at fair value which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined using three levels of inputs:

- Level 1 Valuations based on quoted prices in active markets for identical assets.
- Level 2 Valuations based on one or more quoted price for investments that are not exchange traded but for which all significant inputs are observable.
- Level 3 Valuations based on inputs that are unobservable and significant to the overall fair value measurements.

The following valuation techniques are used for assets measured at fair value:

Cash equivalents - Cash equivalents consist of money market funds. The carrying value approximates fair value due to its short term nature and is classified as Level 1.

Exchanged-traded funds - Investments in exchange-traded funds are measured at fair value using quoted market prices and are classified as Level 1.

Mutual funds - Investments in mutual funds are measured at fair value using quoted market prices and are classified as Level 1.

Equity securities - Investments in equity securities are measured at fair value using the quoted market prices and are classified as Level 1.

Accounting for uncertainty in income taxes

ANJEC's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of tax status or exposure to uncertain tax positions that could require accrual or which could affect its liquidity or future cash flows. ANJEC's exempt organization filings for the years ended December 31, 2017 through 2020 are subject to examination by the Internal Revenue Service and the State of New Jersey. Further, the Internal Revenue Service may examine ANJEC's financial activities for income and unrelated business income tax for those years.

New accounting pronouncements

The Financial Accounting Standards Board (FASB) issued Update No. 2016-02, *Leases* (Topic 842), in February 2016. Under this guidance lessees are required to record most leases on their balance sheets but recognize expenses in the income statement. All entities will classify leases to determine how to recognize lease-related revenue and expense. In applying this guidance, entities must also determine whether an arrangement contains a lease or service agreement. Disclosures are required by lessees and lessors to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The amendments in this Update are effective for fiscal years beginning after December 15, 2021. Management is evaluating the impact of this updated guidance on its financial statements.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

(2) **Investment Securities**

As of December 31, 2020 and 2019, investment securities are as follows:

	Fair Value	Cost
December 31, 2020		
Exchange-traded funds	\$156,444	\$139,211
Equity securities	251,065	219,414
Fixed income securities	<u>311,985</u>	<u>299,377</u>
	<u>\$719,494</u>	<u>\$658,002</u>
December 31, 2019		
Exchange-traded funds	\$138,972	\$138,395
Equity securities	<u>123,183</u>	<u>122,020</u>
	<u>\$262,155</u>	<u>\$260,415</u>

The components of investment income for the years ended December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Gains (losses) on investment securities	\$ 59,927	\$119,761
Dividends	12,973	10,327
Less investment management fees	(5,594)	(3,475)
Total investment income (loss)	67,306	126,613
Less investment return appropriated under the spending policy	(7,219)	(7,002)
Investment income (loss) reported as unrestricted non-operating	<u>\$ 60,087</u>	<u>\$119,611</u>

(3) **Furniture & Equipment**

As of December 31, 2020 and 2019, furniture and equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Computers	\$ 36,041	\$ 30,070
Office furniture & equipment	<u>17,198</u>	<u>15,349</u>
	53,239	45,419
Less accumulated depreciation	<u>44,713</u>	<u>40,114</u>
	<u>\$ 8,526</u>	<u>\$ 5,305</u>

Depreciation expense for the year ended December 31, 2020 and 2019 totaled \$4,599 and \$4,376 respectively.

(4) **Operating Lease Commitments**

ANJEC leases office space from the Morris County Park Commission. For the years ended December 31, 2020 and 2019, rent expense totaled \$11,813 and \$11,604, respectively. Future minimum commitments under the lease for year ending December 31, 2021 are \$11,978.

(5) **Income Tax Status**

ANJEC qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for income taxes. All applicable returns for the exempt organization are filed in a timely manner. ANJEC is liable for payment of payroll tax as an employer; all such amounts are paid in a timely manner as required by state and federal regulations.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

(6) Fair Value of Financial Instruments

ANJEC's assets recorded at fair value have been categorized based upon a fair value hierarchy as described in Note 1. The table below presents the balances of assets measured on a recurring basis as of December 31, 2020 and 2019.

	<u>Level 1</u>	<u>Total</u>
<u>December 31, 2020</u>		
Money market funds	\$ 19,122	\$ 19,122
Exchange-traded funds	156,444	156,444
Equity securities	251,065	251,065
Fixed income securities	<u>311,985</u>	<u>311,985</u>
	<u>\$738,616</u>	<u>\$738,616</u>
<u>December 31, 2019</u>		
Money market funds	\$407,914	\$407,914
Exchange-traded funds	138,972	138,972
Equity securities	<u>123,183</u>	<u>123,183</u>
	<u>\$670,069</u>	<u>\$670,069</u>

Financial instruments are included in the captions on the statements of financial position:

	<u>2020</u>	<u>2019</u>
Cash & equivalents	\$381,653	\$629,226
Investment securities	719,494	262,155

(7) Loan Payable

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which spread throughout the United States. In response to the pandemic, the United States Congress passed the Coronavirus Aid, Relief and Economic Security Act (CARES) which provides direct economic assistance and loans to business entities. In May 2020 ANJEC received a loan of \$129,745 under the Paycheck Protection Program (PPP) which is a component of the CARES Act. If certain criteria are met, all or a portion of the loan may be forgiven. As of December 31, 2020 the loan remains outstanding, repayable over 5 years at a rate of 1%. In May 2021, ANJEC met the forgiveness criteria for the full amount of the loan; \$129,745 will be recognized as income during the year ending December 31, 2021.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2020 AND 2019

(8) **Net Assets**

Designated

As of December 31, 2020 and 2019, respectively, ANJEC held \$153,408 and \$106,405 in grant funds designated for future periods.

With Donor-imposed Use Restrictions

The nature of net assets with donor restrictions, subject to expenditure for specified purpose, is as follows as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Sandy Batty Grant Fund	\$ -	\$ 2,000
Fixed assets	6,571	4,886
Water initiatives	119,418	98,679
Storm water utilities	-	12,500
Strategic plan	-	416
Lechner scholarships (see below)	1,847	2,427
Small Grants Program	8,255	-
	<u>\$136,091</u>	<u>\$120,908</u>

Net assets with donor restrictions expended during the years ended December 31, 2020 and 2019 are as follows:

Sandy Batty Grant Fund	\$ 2,000	\$ 2,000
Fixed assets	7,214	2,185
Water initiatives	177,709	201,914
Storm water utilities	12,500	11,250
Strategic plan	416	3,663
Mini grants	-	2,286
Lechner scholarships	1,200	-
	<u>\$201,039</u>	<u>\$223,298</u>

The Sandy Batty Grant Fund was established with contributions received with use restrictions to underwrite pass-through grants to municipal environmental commissions for projects that enhance the environment in recipient towns.

Endowment

ANJEC's endowment fund was established to support scholarships and general operations. Contributions to the endowment are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by ANJEC indefinitely, and income from the fund is to be expended for the intended purpose. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The endowment fund assets are invested in a variety of securities as disclosed in Note 2. The Board's investment policy is to maximize return while managing risk.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS
 NOTES TO FINANCIAL STATEMENTS
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ANJEC is subject to The Uniform Prudent Management of Institutional Funds Act (UPMIFA) as enacted in New Jersey, and therefore, classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Board of Trustees has interpreted UPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, ANJEC would consider the fund to be underwater if the fair value of the funds is less than (1) the sum of the original value of the initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instruments. ANJEC has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The endowment fund is not currently under water.

For the Sally Dudley and Candace Ashmun Endowment Funds, the board of trustees uses an annual spending rate of 5% of the average market value of the endowment fund investments at the end of each calendar year quarter in the preceding three years. The Lechner Scholarship Fund's spending is based on available accumulated earnings. As of December 31, 2020 and 2019, the endowment is comprised of the following:

	<u>2020</u>	<u>2019</u>
Amounts required to be invested in perpetuity		
Lechner Scholarship Fund	\$11,548	\$11,548
Sally Dudley Endowment	31,861	31,861
Candace Ashmun Endowment	<u>34,317</u>	<u>34,317</u>
	<u>\$77,726</u>	<u>\$77,726</u>

Accumulated investment earnings, available for appropriation		
Lechner Scholarship Fund	\$1,847	\$2,427

Endowment net assets expended during the years ended December 31, 2020 and 2019 are as follows:

Lechner Scholarship Fund	\$1,200	\$ -
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The Lechner Scholarship Fund's earnings are used to fund a bi-annual scholarship. The Sally Dudley and Candace Ashmun Endowment Funds' earnings are used to support annual operations.

ASSOCIATION OF NEW JERSEY ENVIRONMENTAL COMMISSIONS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

(9) **Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, are comprised of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 381,653	\$ 629,226
Investment securities	719,494	262,155
Accounts receivable	<u>13,274</u>	<u>76,184</u>
Financial assets	1,114,421	967,565
Less:		
Board designation	153,408	106,405
Net assets with donor restrictions	<u>213,817</u>	<u>198,634</u>
Financial assets available for general expenditures	<u>\$ 747,196</u>	<u>\$ 662,526</u>

As part of ANJEC's liquidity management plan, cash in excess of daily requirements is invested in interest-bearing demand deposits, money market funds and mutual funds.

(10) **Risks and Uncertainties**

Coronavirus

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which has spread throughout the United States. On March 21, 2020, the governor of New Jersey declared a health emergency and issued an order to close all nonessential businesses and activities until further notice. As of the date of these financial statements, ANJEC is operating primarily in a virtual capacity with staff working remotely. This health emergency could impact donors' ability to make donations. The overall impact on ANJEC's operations, earnings, cash flows and financial position cannot be reasonably estimated as of the date of these financial statements.

Investment

As a result of the coronavirus pandemic, ANJEC's investment securities have experienced market fluctuations in 2020.

(11) **Subsequent Events**

ANJEC has evaluated the need for adjustments resulting from subsequent events through June 29, 2021, the date the financial statements were available to be issued. Based upon this evaluation, no adjustments or additional disclosures were required to the financial statements as of December 31, 2020.