

# News from the Harding Green Association Board of Trustees

www.Hardinggreen.org

**MAY, 2020**

## **BOARD OF TRUSTEES:**

President: Michael Chou  
Vice President: Richard Bruno  
Secretary: Sharon Grenard  
Treasurer: John Huston  
Trustee: Robin Ward

## **ALTERNATIVE DISPUTE RESOLUTION COMMITTEE:**

Dina Khandalavala  
Michael Renzo-Posen  
Stan Pietruska  
Dan Feuerstein  
Joan Vrba  
Natalie Zwillbel

## **NEWSLETTER & WEBSITE:**

Editor: Michael Chou

## **CONTRIBUTOR(S):**

Gary McHugh  
Sharon Grenard

## **CONTACT INFORMATION**

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[www.hardinggreen.org](http://www.hardinggreen.org)

**PAM ROSANIO**  
**HGA REPRESENTATIVE**  
**USI INSURANCE SERVICES**  
(732) 349-2100 x85573  
(732) 908-5573 (direct)

## **CALENDAR**

**HARDING GREEN ASSOCIATION  
MEMBERSHIP MEETING**  
*Meeting will be held on virtually on  
Wednesday, 27, at 7PM.*

## **RECYCLING**

*Tuesdays 5/26, 6/9, 6/23*  
Commingled aluminum and steel  
cans, plastic (#s 1 and 2), and glass  
commingled newspapers, magazines,  
junk mail and other recyclable paper

## **HARDING TOWNSHIP RECYCLING CENTER**

**HOURS:** 7-12 every Wednesday,  
and 9-12 on Saturdays.

## **Announcements**

We like to wish our residents and our veterans a safe Memorial Day Weekend. Thank you all to our front line workers and heroes within our community. Gatherings should comply with our state recommendations at <https://covid19.nj.gov/>.

The pool will not be opened until guidelines are provided by the state or our local Board of Health. In the mean time, we have adjusted our contracts with our pool vendor accordingly.

HGA Audit has been provided electronically last month and is listed as part of this distribution.

Many residents have provided feedback about our internal Directory over the past months and the way it has been used in the past. Going forward, Taylor Management will be managing the process of collecting and distributing information once reviewed by the Board. This means that at closing of sales or rentals, information will be collected. We will be reviewing and confirming rental agreements as part of this process so ensure and confirm we have the latest information on file.

We had a few residents not receiving our communication through our newsletter distribution portal. This is also causing issues with our Website. This has been an ongoing issue with our hosting vendor and the Board has been looking at moving our communication and hosting platforms.

## **Community Maintenance Activities**

Harmony Tree continues the weekly landscape maintenance on site. The spring clean up and fertilization/weed control has been completed. They are wrapping up the mulching of all planting beds this week. They are also at the boards direction soil and seeding any front lawn with bare areas. This is a large scale project which may take a month. It will be up to the owner to water any newly seeded area. This is very important to make sure the grass grows and maintain the investment the association is putting into the lawns.

The tennis court was power washed along with the pool deck. The pool has been drained and repairs will begin shortly. The pool will not open until the governor lifts the executive order and we receive all necessary approvals from the town and certain new regulations and protocols are established.

We have been taking bids on driveway and roadway repairs and replacements. We will also be repairing many of the catch basins in the next few weeks which are deteriorating.

The board has signed a contract with Ferrara Electric to replace 30 street light heads to LED lighting. They will also be straightening some of the leaning poles.

The board approved and purchased new street sign for the entire community. We expect these to be installed the week of May 25th.

There continues to be many work order request for gutter repair/replacement, siding repairs and deck repairs.

Thank you and enjoy The Memorial Day Weekend.

## **Reminders**

Residents are reminded that all work order and service requests **MUST** be directed to Gary McHugh, our property manager. Please when emailing Gary, always cc the hgatrustees@yahoo.com email address. All external work to the community must be approved by the HGA Board before starting work. Personal property modification forms must be approved before work begins. Please visit the HGA website at [www.hardinggreen.org](http://www.hardinggreen.org) or contact Gary for the proper documentation.

Draft Minutes of Open Board Meeting  
Harding Green Meeting February 26,2020

Present:

Michael Chou-President  
Richard Bruno-Vice President  
Sharon Grenard-Secretary  
John Huston-Treasurer  
Gary McHugh-Manager  
4 Residents

The meeting was called to order at 7:48

Approval of the November and January minutes 4/0

Treasurer's Report:

- As of January 31st
- Operating-\$73,806.32
- Reserve-\$91,741.48
- CD's-\$587,679.89
- Audit will be finalized and sent out in the upcoming months and was checked by John Huston 4/0

Manager's Report:

- Looking into replacing lights with LED's and replacing bad poles
- Getting 3 bids for landscaping and snow removal
- Harmony will remove dead trees and grind stumps
- Pool deck and tennis courts will be powder washed
- Repairs will be made to the pool
- Contract to open and close tennis courts \$599.00 Approved 4/0
- \$500.00 for Pickle board 4/0
- Landscaping: Harmony bid \$59,500.00 for a two year contract 2% increase for 2nd season 4/0
- Roof replacement for 7 Spruce-a single family home \$12,000.00 4/0
- The issue of old and aging street signs within our community has been brought up and the Board is looking into specs for the street signs. Replace Street Signs 4/0
- Closing charges Taylor Management charges \$450.00 in addition to what we pay then per year. A question was asked what does that cover. Gary said that he would get the answer.
- Looking into the numbers labels on our units for uniformity but perhaps get some that show up better at night for deliveries and guests.

Open Items:

- Parking on Walnut seems to be a problem due to lack of space and prolonged parking over 3 days.
- People not cleaning up after their dogs. Discussions were made about registering dogs in the community and not with just the town. The Board wishes that all would comply due to respect for other residents and not have to take other measures.
- The Board would like to wish a speedy recovery to Robin Ward

Meeting adjourned at 8:33. Approved 4/0

**CASH DISBURSEMENTS**

Starting Check Date: 4/01/20 Cash Account #: "All"

Ending Check Date: 4/30/20

Check Date	Check #	Vend #	Name	Check Amount	Reference			
Cash account #: 100-000 AAB-Operating								
4/02/20	70995	HC	HILBERG CONTRACTING LLC	470.56	8 POPLAR-SIDING REPAIR			
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5883	7592	2/28/20	710-000	3/01/20	470.56	8 POPLAR-SIDING REPAIR
4/02/20	70996	HG-CAP	RBC FBO HARDING GREEN CAP. RES	9,057.75	ACCT 7R3-00658			
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5886	040120	4/01/20	910-000	4/01/20	9,057.75	ACCT 7R3-00658
4/02/20	70997	TMC	TAYLOR MANAGEMENT COMPANY	3,808.00	MANAGEMENT FEE			
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5885	040120	4/01/20	810-000	4/01/20	3,808.00	MANAGEMENT FEE
4/07/20	70998	DR	DEBRA ROMANO	600.00	REIMB FOR WATER			
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5892	032420	3/24/20	615-000	3/24/20	600.00	REIMB FOR WATER
4/07/20	70999	HC	HILBERG CONTRACTING LLC	114.84	1 CEDAR LN-GUTTER PIPE RE			
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5891	7691	3/25/20	710-000	3/25/20	114.84	1 CEDAR LN-GUTTER PIPE RE
4/07/20	71000	JCP&L	JERSEY CENTRAL POWER & LIGHT	440.11				
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5887	95745825208	3/17/20	610-000	3/17/20	172.94	100006484693-021320-03132
		5888	95745825202	3/17/20	610-000	3/17/20	103.25	100006481400-021320-03132
		5889	95745825211	3/17/20	610-000	3/17/20	160.82	100006486086-021320-03132
		5890	95745825223	3/17/20	610-000	3/17/20	3.10	100006521494-021320-03132
		-----						
				Totals:			440.11	
4/07/20	71001	PSE&G	PUBLIC SERVICE ELECTRIC & GAS	76.67	6594159100-022120-032020			
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5896	605804015113	3/25/20	610-000	3/25/20	76.67	6594159100-022120-032020
4/07/20	71002	SMCMUA	SMCMUA	46.68	790132070000-122419-03252			

CASH DISBURSEMENTS

Starting Check Date: 4/01/20 Cash Account #: "All"

Ending Check Date: 4/30/20

Check Date	Check #	Vend #	Name	Check Amount		Reference			
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference	
		5893	70000-033020	3/30/20	615-000	3/30/20	46.68	790132070000-122419-03252	
4/07/20	71003	UHLIG	UHLIG LLC				61.10	POSTAGE & STATEMENT	
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference	
		5894	H024050-IN	3/31/20	830-000	3/31/20	61.10	POSTAGE & STATEMENT	
4/07/20	71004	VER	VERIZON				156.74	653121781000132-032720-04	
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference	
		5895	00132-032620	3/26/20	625-000	3/26/20	156.74	653121781000132-032720-04	
4/15/20	71005	AHN	AT HOME NET				62.95	04/20-TOPS INTEGRATED	
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference	
		5899	293646	4/01/20	830-000	4/01/20	62.95	04/20-TOPS INTEGRATED	
4/15/20	71006	HC	HILBERG CONTRACTING LLC				2,758.92	FENCE ON 202	
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference	
		5903	7651	3/12/20	710-000	4/01/20	2,758.92	FENCE ON 202	
4/15/20	71007	HW	HILL WALLACK LLP				379.25		
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference	
		5897	547382	3/25/20	820-000	3/25/20	75.00	5 TULIP LANE	
		5898	547384	3/25/20	820-000	3/25/20	304.25	6 POPLAR LANE	
		-----						Totals:	379.25
4/15/20	71008	PR-PD	PETER RUBINETTI				2,166.60	04/20-MLY SVC	
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference	
		5902	743160	4/01/20	733-000	4/01/20	2,166.60	04/20-MLY SVC	
4/15/20	71009	SMCMUA	SMCMUA				291.82	762510047000-010120-03312	
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference	
		5900	47000-033120	3/31/20	615-000	4/01/20	291.82	762510047000-010120-03312	
4/15/20	71010	TDT	THE DAVEY TREE EXPERT CO.				442.49	LEAF DISEASE-1ST APP	
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference	
		5901	914402254	3/23/20	727-000	4/01/20	442.49	LEAF DISEASE-1ST APP	

**CASH DISBURSEMENTS**

Starting Check Date: 4/01/20 Cash Account #: "All"

Ending Check Date: 4/30/20

Check Date	Check #	Vend #	Name	Check Amount	Reference			
Cash account #: 100-000 AAB-Operating								
4/15/20	71011	WWGP	WWGP INC. DBA DEVITO ROOFING	292.00	INST NEW ROOF			
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5904	9730-A	3/02/20	333-000	4/01/20	292.00	INST NEW ROOF
4/17/20	70365	(M)GSGC	GARDEN STATE GUTTER CLEANING	2,671.88				
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5905	67633-1	4/17/20	748-000	4/17/20	2,671.88	GUTTERS CLEANED & FLUSHED
4/17/20	70365	VOID				.00		
4/17/20	70915	VOID				.00	Void	
4/20/20	71012	HG-CAP	RBC FBO HARDING GREEN CAP. RES	9,057.75	ACCT 7R3-00658			
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5774	120119	None	910-000	12/01/19	9,057.75	ACCT 7R3-00658
4/20/20	71013	HTC	HARMONY TREE CARE LLC	11,221.87				
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5906	11162	4/07/20	727-000	4/07/20	4,862.81	TREE SERVICE, WOOD CHIPS
		5907	11163	4/07/20	725-000	4/07/20	6,359.06	MLY LANDS MAINT #1
				Totals:			11,221.87	
4/27/20	71014	CAU	COMMUNITY ASSOC. UNDERWRITERS	5,244.00	CAU503035-3 3794 2 REM IN			
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5909	3794-041320	4/13/20	142-000	4/13/20	5,244.00	CAU503035-3 3794 2 REM IN
4/27/20	71015	GSGC	GARDEN STATE GUTTER CLEANING	2,825.56	GUTTERS			
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5917	83412	4/16/20	748-000	4/16/20	2,825.56	GUTTERS
4/27/20	71016	HC	HILBERG CONTRACTING LLC	879.00	POWER WASHING			
		Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
		5918	7831	4/20/20	710-000	4/20/20	879.00	POWER WASHING
4/27/20	71017	JCP&L	JERSEY CENTRAL POWER & LIGHT	415.27				

**CASH DISBURSEMENTS**

Starting Check Date: 4/01/20 Cash Account #: "All"

Ending Check Date: 4/30/20

Check Date	Check #	Vend #	Name	Check Amount		Reference	
	Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
	5910	95536162241	4/16/20	610-000	4/16/20	3.10	100006521494-031420-04142
	5911	95536162229	4/16/20	610-000	4/16/20	151.24	100006486086-031420-04142
	5912	95536162226	4/16/20	610-000	4/16/20	148.76	100006484693-031420-04142
	5913	95536162220	4/16/20	610-000	4/16/20	112.17	100006481400-031420-04142
Totals:						415.27	

4/27/20 71018 TMC TAYLOR MANAGEMENT COMPANY 15.00 MARCH POST

Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
5916	991297686	4/01/20	830-000	4/01/20	15.00	MARCH POST

4/27/20 71019 WWGP WWGP INC. DBA DEVITO ROOFING 2,000.00 11 SPRUCE LN-FRONT OF GAR

Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
5915	086-042320	4/23/20	333-000	4/23/20	2,000.00	11 SPRUCE LN-FRONT OF GAR

Totals: 55,556.81

Cash account #: 104-000 Cash in Capital FISN

4/23/20 3013 (M)HGOPER HARDING GREEN OPERATING 292.00 REIMB-DEVITO ROOFING

Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
5908	042320	4/23/20	160-000	4/23/20	292.00	REIMB-DEVITO ROOFING

4/27/20 3014 (M)HGOPER HARDING GREEN OPERATING 2,000.00 REIMB-DEVITO ROOFING INVO

Vchr-#	Invoice-#	Inv-date	Acct #	Eff-date	Amount-paid	Reference
5919	042720	4/27/20	160-000	4/27/20	2,000.00	REIMB-DEVITO ROOFING INVO

Totals: 2,292.00

-- End of report --

**THE HARDING GREEN ASSOCIATION, INC.  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**Karen D. Sackstein**

Certified Public Accountant  
38-63 Taylor Road, Linc. Lawn, NJ 07410  
Tel: (201) 794-1649 Fax: (201) 794-3926

THE HARDING GREEN ASSOCIATION, INC.  
TABLE OF CONTENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

<u>CONTENTS</u>	<u>PAGE</u>
Independent Auditor's Report	1-2
Balance Sheet	3
Statement of Revenues, Expenses, and Changes in Fund Balances	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-9
Supplementary Information	10-11



**K a r e n P. S a c k s t e i n**  
C e r t i f i e d P u b l i c A c c o u n t a n t

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors:  
The Harding Green Association, Inc.  
c/o Taylor Management Company  
80 South Jefferson Road, 2nd Floor  
Whippany, NJ 07981

**Report on the Financial Statements**

We have audited the accompanying balance sheet of The Harding Green Association, Inc. as of September 30, 2019 and the related statements of revenues, expenses, and changes in fund balances 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

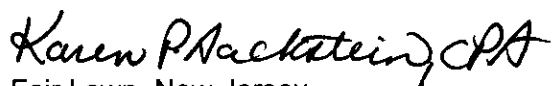
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Harding Green Association, Inc. as of September 30, 2019, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information on future major repairs and replacements on page 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Comparison of Budget to Actual supplementary information on page 11, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

  
Fair Lawn, New Jersey  
February 26, 2020

THE HARDING GREEN ASSOCIATION, INC.  
BALANCE SHEET  
SEPTEMBER 30, 2019

	Operating Fund	Reserve Fund	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 96,520	\$ 65,575	\$ 162,095
Certificates of deposit	-	598,000	598,000
Interest receivable	-	822	822
Assessments receivable	9,057	-	9,057
Municipal reimbursement receivable	8,000	-	8,000
Prepaid insurance	2,892	-	2,892
Prepaid expense	2,672	-	2,672
Prepaid income taxes	101	-	101
Due to/from other funds	(25,106)	25,106	-
	<b>\$ 94,136</b>	<b>\$ 689,503</b>	<b>\$ 783,639</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Accounts payable and accrued expenses	\$ 8,531	\$ -	\$ 8,531
Prepaid assessments	6,645	-	6,645
Security deposits payable	7,500	-	7,500
	22,676	-	22,676
Fund balances	71,460	689,503	760,963
	<b>\$ 94,136</b>	<b>\$ 689,503</b>	<b>\$ 783,639</b>

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

THE HARDING GREEN ASSOCIATION, INC.  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Operating Fund	Reserve Fund	Total
<b>REVENUES</b>			
Monthly assessments	\$ 444,168	\$ 100,332	\$ 544,500
Transfer fees	11,490	-	11,490
Municipal reimbursement	6,987	-	6,987
Leasing fee income	4,800	-	4,800
Miscellaneous income	1,950	-	1,950
Late fees	1,410	-	1,410
Interest income	-	17,773	17,773
Dividend income	-	944	944
	<u>470,805</u>	<u>119,049</u>	<u>589,854</u>
<b>EXPENSES</b>			
Audit fee	3,600	-	3,600
Electricity	6,669	-	6,669
Exterminator	25,288	-	25,288
Gas	1,626	-	1,626
Income taxes	3,375	-	3,375
Insurance	64,359	-	64,359
Landscaping	85,587	-	85,587
Legal fees	1,785	-	1,785
Management fees	45,696	-	45,696
Office expense	2,531	-	2,531
Painting	63,429	-	63,429
Pool expense	27,000	-	27,000
Repairs and maintenance	69,850	121,014	190,864
Sewer	1,489	-	1,489
Snow removal	44,969	-	44,969
Telephone	2,171	-	2,171
Tennis courts	1,585	-	1,585
Trash removal	25,999	-	25,999
Water	2,939	-	2,939
	<u>479,947</u>	<u>121,014</u>	<u>600,961</u>
Deficiency of Revenues Over Expenses	(9,142)	(1,965)	(11,107)
Beginning Fund Balances	<u>80,602</u>	<u>691,468</u>	<u>772,070</u>
Ending Fund Balances	<u>\$ 71,460</u>	<u>\$ 689,503</u>	<u>\$ 760,963</u>

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

THE HARDING GREEN ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Deficiency of revenues over expenses	\$ (9,142)	\$ (1,965)	\$ (11,107)
Adjustments to reconcile deficiency of revenues over expenses to cash provided by (used for) operating activities:			
(Increase) decrease in:			
Interest receivable	-	81	81
Assessments receivable	8,360	-	8,360
Municipal reimbursement receivable	1,000	-	1,000
Prepaid insurance	(1,159)	-	(1,159)
Prepaid expense	(2,672)	-	(2,672)
Prepaid income taxes	(101)	-	(101)
Due to/from other funds	41,998	(41,998)	-
Increase (decrease) in:			
Accounts payable and accrued expenses	(25,426)	(14,180)	(39,606)
Prepaid assessments	320	-	320
Income taxes payable	(677)	-	(677)
Security deposits payable	500	-	500
Net cash provided by (used for) operating activities	<u>13,001</u>	<u>(58,062)</u>	<u>(45,061)</u>
Cash flows from investing activities:			
Redemption of certificates of deposit	-	25,000	25,000
Net cash provided by investing activities	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Net increase (decrease) in cash and cash equivalents	13,001	(33,062)	(20,061)
Cash and cash equivalents, beginning of year	<u>83,519</u>	<u>98,637</u>	<u>182,156</u>
Cash and cash equivalents, end of year	<u>\$ 96,520</u>	<u>\$ 65,575</u>	<u>\$ 162,095</u>
Supplemental disclosures:			
Income taxes paid	\$ 4,151	\$ -	\$ 4,151
Interest paid	-	-	-

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

THE HARDING GREEN ASSOCIATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 1 - PROPERTY DESCRIPTION

The Harding Green Association is a statutory condominium association incorporated in the State of New Jersey in May 1979. The Association is responsible for the operation and maintenance of the common property of the Harding Green condominium. The property consists of one hundred twelve residential townhouse and single-family units located on approximately twenty-eight acres in the Township of Harding New Jersey.

NOTE 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through February 26, 2020, the date that the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ESTIMATES

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

FUND ACCOUNTING

The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the board of directors. Disbursements from the reserve fund generally may be made only for designated purposes.

INTEREST AND DIVIDENDS EARNED

It is the Association's policy that interest and dividends earned on all accounts be allocated to the proper restricted or unrestricted fund.

PROPERTY AND EQUIPMENT

Real property and common areas acquired from the Developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property at cost and depreciates it using the straight-line method over its useful life.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking, savings, and money market accounts.

THE HARDING GREEN ASSOCIATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS

The Association reports its investments based on the provisions of FASB ASC 320 - "Accounting for Certain Debt and Equity Securities." In accordance with this authoritative literature, the Association has classified securities as held to maturity.

Securities classified as held to maturity are stated at cost adjusted for amortization of premiums and accretion of discounts. The Association has the positive intent and ability to hold these securities to maturity. Realized gains and losses for securities classified as held to maturity are reported in the statement of revenues and expenses based on the adjusted cost of the specific security sold.

REVENUE RECOGNITION

The Association has adopted, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASU No. 2014-09"). This guidance requires that an entity depict the consideration by applying a five-step analysis in determining when and how revenue is recognized. The Association has evaluated the effects of the new guidance as it relates to the various revenue streams generated by the Association and has determined that member assessments, special assessments, other membership income and income from agreements with outside parties generated by the Association is considered contract revenue. Due to the nature of the revenue streams the performance obligation is met on an ongoing basis throughout the year, therefore, revenue is recognized when billed. The newly adopted guidance also requires an entity to determine if amounts billed are collectible prior to recording revenue. The Association generally assumes that all revenue billed is collectible at the time of billing.

NOTE 4 - OWNERS' ASSESSMENTS

Monthly assessments to owners ranged from \$ 400 to \$ 515 for the year ended September 30, 2019. Of these amounts, \$ 100,332 was budgeted to the reserve fund.

In addition, the Association collects a transfer fee equal to three months' assessments upon resale or rental of any unit. This amount is contributed to the operating fund.

The board of directors determines the annual budget and assessments of owners. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

NOTE 5 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate savings accounts and are generally not available for expenditures for normal operations.

THE HARDING GREEN ASSOCIATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 5 - FUTURE MAJOR REPAIRS AND REPLACEMENTS (CONTINUED)

Suburban Consulting Engineers, Inc. conducted a study in April 2012, which was revised in December 2012, to estimate the remaining useful lives and the replacement costs of the components of common property. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on the study.

The board of directors is funding for major repairs and replacements over the remaining useful lives of the components based on the 2012 study's estimates of current replacement costs and considering amounts previously accumulated in the reserve fund. The 2012 study's funding for the year ended September 30, 2019 of \$ 100,332 projected a baseline of \$ 30,681 in year 20 of a 30 year analysis. Recommended funding under the cash flow method with a 3% threshold was \$ 111,000. The study assumes that interest on accumulated funds will offset the effects of inflation. Transfers into and investment income earned totaled \$ 75,249 and \$ 18,717 for the year ended September 30, 2019, respectively.

Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the reserve fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

Reserve expenditures for the year ended September 30, 2019 were \$ 121,014. At September 30, 2019, the Association's calculated reserve fund balance exceeded the available net reserve assets by \$ 25,106. The Association intends to repay this amount and has, therefore, recorded it as an interfund receivable and payable on its balance sheet.

NOTE 6 - FEDERAL INCOME TAXES

The Association has the option of being taxed as a regular corporation on the amount by which total non-membership revenues exceed total non-membership expenses pursuant to Internal Revenue Code Section 277, or it can elect to file as a homeowners association under Section 528 of the Internal Revenue Code, which provides that the Association is exempt from taxation on amounts received as exempt function income, which generally consists of uniform assessments to members.

For the year ended September 30, 2019, the Association has elected to be taxed as a regular corporation under Internal Revenue Code Section 277. Federal income tax for the year ended September 30, 2019 was \$ 3,375.

Since the Association was incorporated pursuant to Title 15 of the New Jersey Statutes, it is not liable for New Jersey Corporation Business Tax.

Under federal income tax laws, an entity's income tax returns are subject to examination by the Internal Revenue Service. The time period during which a return may be selected for examination generally ends at the later of three years after initial due date of the return or three years after the return is filed. At September 30, 2019, the Association's tax years that remained subject to examination were the years ended September 30, 2019, 2018, 2017, and 2016.



THE HARDING GREEN ASSOCIATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 7 - MUNICIPAL SERVICES ACT

The Association has a contract with Harding Township under the Municipal Services Act. These services consist of reimbursement and/or service for snow removal and street lighting on the Association roads. Amounts included as reimbursement income for the year ended September 30, 2019 were \$ 6,987.

NOTE 8 - CERTIFICATES OF DEPOSIT

The following certificates of deposit were held at September 30, 2019:

	Rate	Due	Cost	Market Value	Unrealized Gan (Loss)
BOFI Fed Bk San Diego CA	2.75%	04/29/25	\$ 10,000	\$ 10,006	6
JP Morgan Chase Bank	3.00%	01/20/27	10,000	10,030	30
1st Fin Bk USA	3.50%	08/02/28	5,000	5,007	7
1st Fin Bk USA Dakota Dunes SD	2.85%	07/18/29	10,000	10,005	5
HSBC Bk USA NA McLean VA	2.45%	07/27/29	20,000	20,006	6
Bokf Natl Assn Tulsa OK	3.00%	04/05/30	25,000	25,028	28
Bokf Natl Assn Tulsa OK	3.00%	06/12/30	50,000	50,063	63
BMO Harris Bk Natl Assn Chicago	3.00%	12/04/30	6,000	6,011	11
BMO Harris Bk Natl Assn Chicago	2.50%	07/28/31	5,000	5,002	2
BMO Harris Bk Natl Assn Chicago	2.50%	08/25/31	50,000	48,753	(1,247)
JP Morgan Chase Bank	2.20%	09/22/31	100,000	98,351	(1,649)
1st Fin Bk USA Dakota Dunes SD	2.65%	11/07/31	10,000	10,007	7
1st Fin Bk USA Dakota Dunes SD	3.60%	11/26/31	50,000	50,060	60
1st Fin Bk USA Dakota Dunes SD	2.70%	10/12/32	5,000	5,004	4
1st Fin Bk USA Dakota Dunes SD	3.60%	07/12/34	25,000	25,048	48
Wells Fargo Bk NA CA	2.65%	05/13/36	17,000	17,011	11
Jonesboro State Bank, CLL	3.00%	12/22/42	200,000	192,830	(7,170)
			<u>\$ 598,000</u>	<u>\$ 588,222</u>	<u>\$ (9,778)</u>

All certificates of deposit are classified as held to maturity. As such, the Association will not incur any loss of investment principal. The board of directors invests Association funds with the goal of preserving investment principal and maximizing investment income.

NOTE 9 - COMMITMENT / SUBSEQUENT EVENT

The Association has hired Delltan Property Services, Inc., to paint twenty-four units at a cost of \$ 74,318. For the year ended September 30, 2019, \$ 18,579 was included in expenses, representing twenty-five percent of the work completed. The balance of the project was completed in October 2019.

THE HARDING GREEN ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION (UNAUDITED)  
 FUTURE MAJOR REPAIRS AND REPLACEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

Suburban Consulting Engineers, Inc. conducted a study in April 2012, which was revised in December 2012, to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on estimated replacement costs at the time of the study. The study uses the cash flow method and assumes equal rates of interest and of inflation. The study recommends annual funding for the year ended September 30, 2019 of \$ 100,332 using the baseline funding method and \$ 111,000 using the cash flow method with a 3% threshold. The following table is based on the study and presents significant information about the components of common property as they existed at the time of the study.

Components	Expected Useful Life (Yrs)	Remaining Useful Life (Yrs)	Estimated Replacement Cost
<b>Ancillary</b>			
<b>Swimming Pool</b>			
Cover	12	9	\$ 3,000
Filter	25	24	2,000
Heater	15	13	3,000
Perimeter fence	20	19	8,331
Deck, concrete	30	29	30,590
Pool house refurbish	30	10	7,000
Pump	10	4	950
White coat	10	9	27,000
<b>Tennis Court</b>			
Reconstruct	20	8	52,000
Resurface / color	10	8	22,000
Perimeter fence, 10' chain link	20	1	15,264
<b>Building</b>			
Exterior wall - siding, wood (pine)	1	1	25,000
Roof - shingle, phase IA	35	20	196,688
Roof - shingle, phase IB	35	19	196,688
Roof - shingle, phase II	35	18	351,750
Chimney caps	35	3	80,000
<b>Sitework</b>			
Concrete - sidewalk	1	1	2,296
Concrete - unit entrance walk & steps	1	1	5,000
<b>Fence</b>			
chain link, 5' perimeter	35	2	24,088
wood, 6' privacy, Harding Green	20	18	3,175
wood, 6' privacy, Hickory Ct	20	17	4,318
wood, 6' privacy, Rte 202	20	15	5,080
Illumination - street light fixture	30	10	27,000
<b>Pavement</b>			
Reconstruct driveway	15	10	78,151
Reconstruct Harding Green Drive	20	3	114,366
Reconstruct street	20	18	243,060
Seal coat, driveway	5	3	6,807
Seal coat, street	5	3	24,182
Granite block curb	40	20	222,660
Pond - aerator / fountains	15	5	5,600
Postal - mailbox stands	25	10	8,250
			<b>\$ 1,795,294</b>

THE HARDING GREEN ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION (UNAUDITED)  
 COMPARISON OF BUDGET TO ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b><u>REVENUES</u></b>			
Monthly assessments	\$ 544,500	\$ 544,500	\$ -
Transfers to reserve fund	(100,332)	(100,332)	-
Transfer fees	7,500	11,490	3,990
Municipal reimbursement	10,000	6,987	(3,013)
Leasing fee income	-	4,800	4,800
Miscellaneous income	-	1,950	1,950
Late fees	-	1,410	1,410
	<u>461,668</u>	<u>470,805</u>	<u>9,137</u>
<b><u>EXPENSES</u></b>			
Audit fee	3,500	3,600	(100)
Electricity	6,000	6,669	(669)
Exterminator	11,000	25,288	(14,288)
Gas	1,600	1,626	(26)
Income taxes	1,400	3,375	(1,975)
Insurance	65,500	64,359	1,141
Landscaping	95,300	85,587	9,713
Legal fees	1,000	1,785	(785)
Management fees	45,000	45,696	(696)
Office expense	2,738	2,531	207
Painting	66,000	63,429	2,571
Pool expense	29,230	27,000	2,230
Repairs and maintenance	62,000	69,850	(7,850)
Sewer	900	1,489	(589)
Snow removal	40,000	44,969	(4,969)
Telephone	1,800	2,171	(371)
Tennis courts	1,200	1,585	(385)
Trash removal	26,000	25,999	1
Water	1,500	2,939	(1,439)
	<u>461,668</u>	<u>479,947</u>	<u>(18,279)</u>
Deficiency of Revenues over Expenses	<u>\$ -</u>	<u>\$ (9,142)</u>	<u>\$ (9,142)</u>