he had found the right person to replace Michele Brown as the CEO of the EDA.

Orsen was officially appointed to the job last Thursday.

Orsen, who was serving as deputy commissioner of the Department of Community Affairs, began the new job immediately, filling a spot left vacant by the departure of Brown, who announced she was leaving to become the head of Choose New Jersey in January.

Lizura, the well-thought-of EDA president and COO, will continue in that role.

Koepe said he was confident the move was the right one at the right time for the organization.

“(Melissa) has had clear leadership responsibilities in professional organizations and in very sensitive situations; a wide range of both experience-based and subject-matter knowledge; a comfortable and thoughtful demeanor; and both a serious work ethic and well-defined ethical standards,” he said.

“At this stage of her career, Melissa is establishing a record as a first-class professional manager. Melissa, as you would expect, enjoys the highest level of respect in state government.”

Brown agreed.

“Melissa has a well established reputation for building consensus and facilitating collaboration,” she said. “I have the utmost confidence that Melissa will lead the EDA with the same kind of enthusiasm and finesse that she has demonstrated throughout her distinguished career.”

In 2010, she joined the DCA as chief of staff. From 2011 to March of last year, she was deputy chief of staff and then chief of staff to Lt. Gov. Kim Guadagno.

Orsen had been the deputy commissioner of the DCA since March of last year, overseeing a budget of more than $3.8 billion and a workforce of about 400 employees.

Koepe, however, said it’s more than just the numbers — it’s the experience and connections Orsen brings to the job.

“She has been heavily involved in the active leadership of the organization at all levels (policy, contracts, constituent relations, communications, legal and procurement, among others),” he said. “She has solid working relationships with, and enjoys the respect of, the United States Department of Housing and Urban Development and, importantly, with our own staff.”

Her selection comes after a vetting period, inside and outside of the organization.

“Members of our officer team (Brown, Lizura, Maureen Hassett and Fred Cole), as well our chief counsel, Betty Renaud, expressed their high professional regard for her,” Koepe said in his remarks.

Koepe said Orsen was lauded by the New Jersey community of business leaders, government officials and economic development professionals.

“I reached out to respected members of the New Jersey community to learn of their perspectives on her leadership qualifications from their direct experience with her,” he said. “Their opinions uniformly supported her reputation as a strong and sensitive leader.”

She will have big shoes to fill.

Brown was No. 5 on the NJBIZ Power 100 list in 2010. In January of last year, and the team of Brown and Lizura was at the top of the NJBIZ Power 50 Real Estate list last winter.

Koepe feels Orsen is up to the challenge.

“She brings policy understanding and big organizational experience — and she has the ability and willingness to ask hard questions,” he said. “That’s why she has such a great reputation in private industry and government.”

CITRIN COOPERMAN CORNER

Understanding Financial Statements, A Powerful Source of Information

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“No one financial statement tells the complete story.”

Next comes the operating expenses. These are the expenses incurred by the company that support the operations. Examples of these types of expenses are: administrative salary and costs, marketing, rent of offices, office supplies, and costs. Operating expenses are subtracted from gross profit to come to “income or loss from operations.” The company will then take account interest income and interest expense and taxes to come to the bottom line of the income statement, which is either net income or net loss. The reader will look at this bottom line as the overall performance of the company over the period of the statement.

Getting to know cash flow statements.

A cash flow statement shows the changes in cash over time, rather than at a moment in time – it uses the information contained in the balance sheet and income statement to show the sources and uses of cash. The cash flow statement is broken down into three areas; cash flows from operating, investing and financing activities.

The operating cash flow section analyzes the company’s cash flow from net income, or loss, and reconciles the net income to the actual cash received or used. The investing activities section reports the sources and uses of cash, generally from the purchase of property and equipment, or the sale of equipment, or any other investment-type asset. The financing section reports the sources and uses of cash through the company’s borrowing activities, or investments into the company, or dividends paid by the company. The results of the cash flow statement show the overall increase or decrease in the company’s cash balance.

No one financial statement tells the complete story but, considered all together, they are a powerful source of information for the reader.

About the author: Salvatore L. Reda, CPA is a partner in the Livingston, NJ office. Sal offers hands-on strategic planning to help small businesses grow and gives entrepreneurs the fiscal guidance and tools to run their operations more efficiently and profitably. Sal can be reached by phone at 973-218-0500 or via email at sreda@citrincooperman.com

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