

HOLLY CITY DEVELOPMENT CORPORATION
(A Component Unit of Millville Housing Authority)

FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

HOLLY CITY DEVELOPMENT CORPORATION
(A Component Unit of Millville Housing Authority)

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INDEPENDENT AUDITORS' REPORT

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January 26, 2009

To the Board of Directors
Holly City Development Corporation
Millville, New Jersey

We have audited the accompanying statement of financial position of Holly City Development Corporation (a nonprofit organization), a component unit of Millville Housing Authority, as of September 30, 2007 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Holly City Development Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2006 financial statements and, in our report dated February 27, 2007, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Holly City Development Corporation as of September 30, 2007 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Barbacane, Thornton & Company

BARBACANE, THORNTON & COMPANY

HOLLY CITY DEVELOPMENT CORPORATION
(A Component Unit of Millville Housing Authority)
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 307,250	\$ 18,559
Accounts receivable	25,757	4,567
Prepaid expenses	11,449	9,107
TOTAL CURRENT ASSETS	<u>344,456</u>	<u>32,233</u>
NONCURRENT ASSETS:		
Property and equipment - net of accumulated depreciation of \$136,799 and \$98,496	<u>1,589,720</u>	<u>1,419,334</u>
TOTAL ASSETS	<u><u>\$ 1,934,176</u></u>	<u><u>\$ 1,451,567</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 181,317	\$ 56,446
Current portion of notes payable	239,182	339,088
Due to MHA	820,625	159,029
Total Current Assets	<u>1,241,124</u>	<u>554,563</u>
NONCURRENT LIABILITIES:		
Long-term portion of notes payable	<u>68,589</u>	<u>70,668</u>
Total Liabilities	<u>1,309,713</u>	<u>625,231</u>
NET ASSETS:		
Unrestricted	<u>624,463</u>	<u>826,336</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,934,176</u></u>	<u><u>\$ 1,451,567</u></u>

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

HOLLY CITY DEVELOPMENT CORPORATION
(A Component Unit of Millville Housing Authority)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
REVENUE, GAINS AND OTHER SUPPORT:		
Membership dues income:		
Pool rental - schools	\$ 9,000	\$ 53,470
Senior Center - City of Millville	4,800	4,800
Individual members	474,822	471,325
Pool rental - City family swim	95,000	95,000
Total Membership Dues Income	<u>583,622</u>	<u>624,595</u>
In-kind contributions	<u>173,981</u>	<u>172,223</u>
Miscellaneous income:		
Antenna rental	29,457	31,014
Community building rental	9,600	9,340
Pool rental - party	27,511	14,352
Vending machine	535	734
Rental income - 13 Vine Street	-	5,200
Rental income - MONI Program	4,800	1,600
Interest income	2,843	2,589
Community room rental	6,975	-
Property management income	6,749	-
Total Miscellaneous income	<u>88,470</u>	<u>64,829</u>
Grant income:		
CDBG grant	271,013	40,110
HIF-MONI program	246,000	150,490
Total Grant Income	<u>517,013</u>	<u>190,600</u>
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u><u>1,363,086</u></u>	<u><u>1,052,247</u></u>
EXPENSES AND LOSSES:		
EXPENSES		
Program services	751,997	780,789
Management and general	<u>547,132</u>	<u>222,996</u>
TOTAL EXPENSES	1,299,129	1,003,785
Loss on disposal of fixed assets	<u>265,830</u>	<u>42,359</u>
TOTAL EXPENSES AND LOSSES	<u><u>1,564,959</u></u>	<u><u>1,046,144</u></u>
CHANGE IN NET ASSETS	(201,873)	6,103
NET ASSETS, BEGINNING OF YEAR	<u>826,336</u>	<u>820,233</u>
NET ASSETS, END OF YEAR	<u><u>\$ 624,463</u></u>	<u><u>\$ 826,336</u></u>

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