

**Approving the Millville Housing Authority's
Annual Audit for FYE 09/30/10**

WHEREAS, the Housing Authority of the City of Millville, a public body created and organized pursuant to and in accordance with the provisions of the laws of the State of New Jersey, is required by statute 40A:5A-15 to perform an annual audit of its records;

AND WHEREAS, the annual audit for the fiscal year ending 09/30/10 has been completed and filed with the U. S. Department of Housing and Urban Development (HUD);

AND WHEREAS, statute 40A:5A-15 requires the Board of Commissioners to certify that each member thereof has personally reviewed the Annual Audit report, and specifically, the sections of the report entitled "**General Findings and Recommendations**";

AND WHEREAS, in accordance with statute 40A:5A-15, each Board member has received the annual Audit and has reviewed the report and specifically, the section entitled "**General Findings and Recommendations**";

NOW THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF MILLVILLE certifies to the Local Finance Board of the State of New Jersey that each member has personally reviewed the Annual Audit report and specifically, the section entitled "**General Findings and Recommendations**" and has attested the same by the accompanying signed group affidavit;

AND BE IT FURTHER RESOLVED THAT the Executive Director is hereby authorized to submit these documents to the Local Finance Board

Larry Miller

Brian Tomlin

Paula Ring

James Parent

Dianne McCarthy

Herbert Kelley

DATE:

Attest:

Paul F. Dice, Secretary

MILLVILLE HOUSING AUTHORITY
Millville, New Jersey

COMPARATIVE FINANCIAL STATEMENTS
For the Two Years Ended
September 30, 2010 and 2009

Millville Housing Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2010

As management of the Millville Housing Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activity of the Authority for the year ended September 30, 2010. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities as of September 30, 2010 by \$15,716,667 (net assets).
- The Authority's cash balance as of September 30, 2010 was \$1,878,087 representing a decrease of \$401,405 from September 30, 2009.
- The Authority had intergovernmental revenues of \$3,783,111 in operating grants and \$791,722 of capital grants for the year ended September 30, 2010.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged only in a business-type activity. The following statements are included:

- Statement of Net Assets - reports the Authority's current financial resources (short-term spendable resources with capital assets and long-term debt obligations).
- Statement of Revenue, Expenses, and Changes in Net Assets - reports the Authority's operating and non-operating revenue, by major sources, along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows - reports the Authority's net cash from operating, investing, and capital and related financing activities.

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY-WIDE)

Total assets decreased by \$898,784 or 4.56 percent. Specifically, capital assets decreased by \$551,639, or 3.27 percent, due primarily to the Authority recording depreciation expense of \$1,139,925 in accordance with generally accepting accounting principles, and the sale of assets with a book value of \$343,930 at the time of disposition. These decreases are offset by capital expenditures of \$932,216.

Total liabilities decreased by \$380,242, or 10.96 percent. Specifically, accounts payable decreased by \$157,942 and debt of \$162,001 was retired..

Millville Housing Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED - UNAUDITED

September 30, 2010

The following table summarizes the changes in net assets between September 30, 2010 and 2009 for the Authority as a whole, including its component unit:

ENTITY-WIDE

	<u>2010</u>	<u>2009</u>	<u>Net Change</u>	<u>Variance</u>
Cash	1,878,087	2,279,492	(401,405)	-17.61%
Other Assets	602,558	548,298	54,260	9.90%
Capital Assets	<u>16,325,407</u>	<u>16,877,046</u>	<u>(551,639)</u>	<u>-3.27%</u>
TOTAL ASSETS	<u>18,806,052</u>	<u>19,704,836</u>	<u>(898,784)</u>	<u>-4.56%</u>
Current Liabilities	605,798	882,259	(276,461)	-31.34%
Noncurrent Liabilities	<u>2,483,587</u>	<u>2,587,368</u>	<u>(103,781)</u>	<u>-4.01%</u>
TOTAL LIABILITIES	<u>3,089,385</u>	<u>3,469,627</u>	<u>(380,242)</u>	<u>-10.96%</u>
Invested in Capital Assets, Net of Debt	13,831,542	14,221,180	(389,638)	-2.74%
Restricted Net Assets	423,494	422,011	1,483	0.35%
Unrestricted Net Assets	<u>1,461,631</u>	<u>1,592,018</u>	<u>(130,387)</u>	<u>-8.19%</u>
TOTAL NET ASSETS	<u><u>15,716,667</u></u>	<u><u>16,235,209</u></u>	<u><u>(518,542)</u></u>	<u><u>-3.19%</u></u>

Comparatively, FYE 2010 revenues exceeded FYE 2009 revenue by \$184,780 or 2.37 percent. Capital grants increased by \$724,240 and HUD operating grants decreased by \$40,155, or 1.05%. Other Revenue decreased by \$350,446, or 15.18%, due primarily to a decrease in developer fees received by the Component Unit of \$156,250. The revenue for the specific programs is as follows:

