

**Report on Audit**

**HOLLY CITY FAMILY CENTER**

**A Component Unit of the  
Millville Housing Authority**

**For the Year Ended  
September 30, 2018**

# Holly City Family Center

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### **Independent Auditor's Report**

Board of Directors  
Holly City Family Center  
Millville, New Jersey

We have audited the accompanying financial statements of Holly City Family Center (a Not-For-Profit) in Millville, New Jersey, which comprise the statement of financial position as of September 30, 2018 and 2017, and the related statements of activities and changes in net position, 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**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 involved 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 Holly City Family Center as of September 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Report on Additional Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying additional information shown on pages 16-17 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Hymanson, Parnes & Giampaolo*

Lincroft, New Jersey

June 7, 2019

**Holly City Family Center**  
**(A Component Unit of Millville Housing Authority)**  
**Statement of Financial Position**  
**As of September 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 52,252	\$ 50,121
Accounts Receivable	27,250	48,735
Prepaid Expenses	6,152	1,134
Total Current Assets	<u>85,654</u>	<u>99,990</u>
<b>Capital Assets</b>		
Buildings	401,828	401,828
Furniture and Equipment	79,415	45,952
Total Fixed Assets	<u>481,243</u>	<u>447,780</u>
Less Accumulated Depreciation	<u>(76,816)</u>	<u>(41,805)</u>
Net Book Value	<u>404,427</u>	<u>405,975</u>
 Total Assets	 <u>490,081</u>	 <u>505,965</u>
<b>Deferred Outflows of Resources</b>		
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
 Total Assets and Deferred Outflow of Resources	 <u>\$ 490,081</u>	 <u>\$ 505,965</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 762	\$ 2,586
Accrued Liabilities	18,944	9,914
Due to Related Parties	22,033	57,529
Deferred Revenue	4,464	6,230
Note Payable - Equipment	4,823	-
Total Current Liabilities	<u>51,026</u>	<u>76,259</u>
<b>Noncurrent Liabilities</b>		
Note Payable - Millville Housing Authority	66,119	66,119
Note Payable - Equipment	16,450	-
Accrued Compensated Absences, Non-Current	604	1,122
Total Noncurrent Liabilities	<u>83,173</u>	<u>67,241</u>
 Total Liabilities	 <u>134,199</u>	 <u>143,500</u>
<b>Deferred Inflow of Resources</b>		
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>
<b>Net Position</b>		
Net Investment in Capital Assets	317,035	339,856
Unrestricted Net Position	38,847	22,609
Total Net Position	<u>355,882</u>	<u>362,465</u>
 Total Liabilities, Deferred Inflow of Resources, and Net Position	 <u>\$ 490,081</u>	 <u>\$ 505,965</u>

See accompanying notes to the financial statements.

**Holly City Family Center**  
**(A Component Unit of Millville Housing Authority)**  
**Statement of Activities**  
**And Changes in Net Position**  
**For Twelve Months Ended September 30, 2018 and 2017**

<b><u>Revenue</u></b>	2018	2017
Program Services	\$ 413,283	\$ 409,699
Management & Other Service Fees	111,265	141,273
Total Revenue	<u>524,548</u>	<u>550,972</u>
<b><u>Operating Expenses</u></b>		
Program Services	490,334	512,999
Management and General	40,797	44,253
Total Operating Expenses	<u>531,131</u>	<u>557,252</u>
<b>Excess Revenue Over Expenses From Operations</b>	(6,583)	(6,280)
Beginning Net Position	362,465	368,745
Net Position, September 30	<u>\$ 355,882</u>	<u>\$ 362,465</u>

See accompanying notes to the financial statements.

**Holly City Family Center**  
**(A Component Unit of Millville Housing Authority)**  
**Statement of Cash Flow**  
**For Twelve Months Ended September 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Cash Flow From Operating Activities</b>		
Increase (Decrease) in Net Assets from Operations	\$ (6,583)	\$ (6,280)
Adjustments to reconcile excess revenue over expenses to net cash provided by operating activities:		
Depreciation Expense	35,011	34,073
(Increase) Decrease in:		
Accounts Receivables	21,485	(35,099)
Prepaid Expenses	(5,018)	1,642
Increase (Decrease) in:		
Accounts Payable	(1,824)	(10,925)
Accrued Expenses	9,030	(3,431)
Compensated Absences	(518)	(532)
Related Parties	(35,496)	(3,482)
Unearned Revenue	(1,766)	(3,436)
Net Cash Provided (Used) by Operating Activities	<u>14,321</u>	<u>(27,470)</u>
<b>Cash Flow From Capital and Related Financing Activities</b>		
Purchase of Equipment	(33,463)	
Payment of Notes Payable	(385)	-
Proceeds for Equipment Purchase	21,658	
Net Cash (Used) by Capital and Related Financing Activities	<u>(12,190)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,131	(27,470)
<b>Beginning Cash</b>	<u>50,121</u>	<u>77,591</u>
<b>Ending Cash</b>	<u>\$ 52,252</u>	<u>\$ 50,121</u>
<b>Supplemental Cash Flow Disclosures</b>		
Cash Paid for Interest	<u>\$ 143</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**Holly City Family Center**  
**(a Component Unit of Millville Housing Authority)**  
**Notes to the Financial Statements**  
**For Twelve Months Ended September 30, 2017 and 2018**

**NOTE 1 ORGANIZATION AND NATURE OF ACTIVITIES**

Holly City Family Center, located in Millville, New Jersey, was formed in July of 2016 to serve as a wholly owned subsidiary of the Housing Authority of the City of Millville and to improve the quality of living for residents of the City of Millville by providing better and more diverse housing opportunities.

On July 31, 2016 Holly City Development Corporation transferred all of the assets and liabilities of its community center to Holly Center Family Center, a newly formed organization. The center provides educational and recreational services to residents of the city of Millville and its surrounding areas. Holly City Development Corporation also transferred all of the assets and liabilities of its property management division and its information technology consulting division to Holly City Family Center. Those divisions provide property management and information technology services to Millville Housing Authority and other housing authorities and not-for-profit agencies in southern New Jersey.

Holly City Family Center is a component unit of Millville Housing Authority.

The criteria for including or excluding a component unit relationship as set forth in GASB's #61 *The financial Reporting Entity* and Financial Reporting Standards, include whether:

- A. The organization is legally separate.
- B. The organization is fiscal dependency on the primary government.
- C. The organization has potential to impose a financial benefit or burden on the primary government.
- D. The organization meets the financial accountability criteria for inclusion as a component unit of the primary government.
- E. The primary government is able to impose its will on the organization.

The Millville Housing Authority is able to impose its will on Holly City Family Center. Based on the above criteria, the Holly City Family Center has identified that it is a component unit which should be subject to evaluation for inclusion in the Millville Housing Authority reporting entity.

**Activities**

The Holly City Family Center conducts two activities, one of which to have membership dues to its fitness center and to conduct fitness classes for the membership. The Management generate management fees for various services including IT computer support.



**Holly City Family Center**  
**(a Component Unit of Millville Housing Authority)**  
**Notes to the Financial Statements**  
**For Twelve Months Ended September 30, 2017 and 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Sources of Income**

The Holly City Family Center's revenues consist primarily of program revenue associated with the pool and fitness activities. The Management generate management fees for various services including IT computer support.

**Method of Accounting**

The financial statements of Holly City Family Center are prepared under the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

The accompanying financial statements also been prepared in accordance with accounting policies of the Millville Housing Authority. These policies are consistent with those with generally accepted accounting principles.

**Report Presentation**

The financial statements presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statement of Not-for Profit Organizations. In accordance with SFAS #117 establishes standards for general-purpose external financial statements issued by nonprofits.

The objective of this statement is to enhance the relevance and understandability of financial statements provided by nonprofit Corporation. SFAS #117 requires nonprofits to issue three financial statements, a Statement of Financial Position to report the Corporation total assets, liabilities and net assets; a Statement of Activities to report the change in Center's financial position; and a Statement of Cash Flows to report the change in the Center's cash and cash equivalents.

To help donors, creditors, and others in assessing the Center's operation, this SFAS requires that expenses be reported according to their functional classification (e.g. program services and general administrative expense). In addition, Center is encouraged to report expenses by their natural classification

In accordance with generally accepted accounting principles for not-for-profit organizations in the United States of America, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets, if applicable. The Organization does not have any permanently or temporarily restricted net assets.

**Holly City Family Center**  
**(a Component Unit of Millville Housing Authority)**  
**Notes to the Financial Statements**  
**For Twelve Months Ended September 30, 2017 and 2018**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**  
**Contributions**

In accordance with SFAS#116: Accounting for Contributions, this SFAS establishes accounting standards for contributions received or made. In accordance with this statement, contributions received, including unconditional promises to give (pledges), are generally recognized as revenues in the period received, at their fair market value. Similarly, contributions made, including unconditional promises to give, are recognized as expenses in the period made, at their fair market value. Conditional promises to give, whether received or made, are recognized when they become unconditional, when the conditions are substantially met. In addition, SFAS #116 requires nonprofits to distinguish between contributions received that increase Permanently Restricted Net Assets, Temporarily Restricted Net Assets, and Unrestricted Net Assets.

**Net Position**

GASB Statement No. 63 requires the classification of "net assets" into "net position". SFAS #116 requires the classification of net position into three components, Unrestricted Net Position, Temporarily Restricted Net Position, and Permanently Restricted Net Position.

**Unrestricted Net Position.**

The Unrestricted Net Position consists of net positions that do not meet the definition of Temporarily Net Position or Permanently Restricted Net Position. Unrestricted Net Position may be designated for specific purposes or location by the action of the Center's Board of Trustees/ Directors.

**Temporarily Restricted Net Position.**

Subject to donor-imposed stipulations that may be fulfilled by actions of the Center to meet the stipulations or become unrestricted at the date by the donor.

**Permanently Restricted Net Position.**

These are subject to donor-imposed stipulations that they be retained and invested permanently by the Center. The donors require the Center to use all or part of the investment return on these net positions for specified or unspecified purpose.

**Holly City Family Center**  
**(a Component Unit of Millville Housing Authority)**  
**Notes to the Financial Statements**  
**For Twelve Months Ended September 30, 2017 and 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Estimates**

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use, and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

**Cash and Cash Equivalents**

The Center considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Property and Equipment and Depreciation**

Property and equipment valued at \$1,000 or more is capitalized at cost if purchased and at fair market value if donated. Improvements are also capitalized at cost. Routine repairs and maintenance are expensed as incurred. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.

**Impairment Losses**

The Center reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. No impairment losses were recognized in 2018 nor 2017.

**Advertising Expense**

The Center expenses the production costs of advertising when incurred. For the year ended September 30, 2018, \$1,778 and \$3,877 for 2017 was reported as advertising expense.

**Revenue Recognition**

Revenue and expenses are recorded on the accrual basis. Membership dues are reported in the period in which they are earned. Amounts that have been collected but not earned are recorded as deferred income.

**Holly City Family Center**  
**(a Component Unit of Millville Housing Authority)**  
**Notes to the Financial Statements**  
**For Twelve Months Ended September 30, 2017 and 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Accounts Receivable**

Accounts Receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through an allowance for doubtful accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management continually monitors membership payment patterns, investigates past-due accounts to assess likelihood of collections, and monitors the industry and economic trends to estimate required allowances. It is reasonably possible that management's estimate of the allowance will change. No allowance for doubtful accounts was required at September 30, 2018 and 2017.

**Income Taxes:**

No provision has been made for income taxes, if any since the Holly City Family Center is a 501c (3) corporation in the State of New Jersey. It is required to file annually IRS form 990. In carryout the Center's tax exempt purpose; there are no income taxes due to an exemption from federal and state taxes. Federal and state payroll tax returns required to be filed by the Holly City Family Center have been filed on a timely basis and sums due for those returns were made on a timely basis.

**Accounting for Uncertainty in Income Taxes**

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Generally accepted accounting principles prescribe a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. For the Center, tax positions taken include the entity's status as a not-for-profit corporation and the approval and qualifications for this status. The Center files an annual Form 990 with the Internal Revenue Service and its tax returns for the year 2016 is subject to examination by tax authorities.

**Holly City Family Center**  
**(a Component Unit of Millville Housing Authority)**  
**Notes to the Financial Statements**  
**For Twelve Months Ended September 30, 2017 and 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED**  
**Expense Allocations**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Those studies consider the time devoted by the Association's personnel and the portion of its resources used in providing various program services and other activities. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

**Commitments and Contingencies**

The Center receives a substantial amount of its support from members and governmental fees. A significant reduction in the level of support from either of these sources, if this were to occur, may have an effect on the Center's programs and activities.

**NOTE 3 ACCOUNTS RECEIVABLE**

Accounts receivable of \$27,250 at September 30, 2018 and \$48,735 for 2017 represents amounts billed to various agencies for services provided during the month of September.

**NOTE 4 PROPERTY AND EQUIPMENT**

Below is a schedule of changes in fixed assets for the twelve months ending September 30, 2018 and 2017:

	Balance September-17	Additions	Balance September-18
Buildings	\$ 401,828	\$ -	\$ 401,828
Furniture and Equipment	45,952	33,463	79,415
Total Fixed Assets	447,780	33,463	481,243
Less Accumulated Depreciation	(41,805)	(35,011)	(76,816)
Net Book Value	\$ 405,975	\$ (1,548)	\$ 404,427

	Balance September-16	Additions	Balance September-17
Buildings	\$ 401,828	\$ -	\$ 401,828
Furniture and Equipment	45,952	-	45,952
Total Fixed Assets	447,780	-	447,780
Less Accumulated Depreciation	(7,732)	(34,073)	(41,805)
Net Book Value	\$ 440,048	\$ (34,073)	\$ 405,975

**Holly City Family Center**  
**(a Component Unit of Millville Housing Authority)**  
**Notes to the Financial Statements**  
**For Twelve Months Ended September 30, 2017 and 2018**

**NOTE 4      PROPERTY AND EQUIPMENT -CONTINUED**

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, primarily seven years for furniture, fixtures and equipment and forty years for buildings. When assets are disposed of, the cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in income. Expenditures for maintenance and repairs are charged to expense as incurred. Betterments and improvements are capitalized.

Property and equipment valued at \$1,000 or more is capitalized at cost if purchased and at fair market value if donated. Improvements are also capitalized at cost. Routine repairs and maintenance are expensed as incurred.

Depreciation

Depreciation of capital assets is provided using the straight-line basis over the useful lives of the respective assets. Buildings are depreciated over 15-40 years and furniture, equipment, and machinery are being depreciated over 3-7 years.

**NOTE 5      DONATED PROPERTY AND SERVICES**

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Center reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Contributed services are not recognized as revenues unless the services received create or enhance the value of a nonfinancial asset; or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by volunteers. During the year ended September 30, 2018 and 2017, the Center leased property, which is part of Maurice View Plaza, with a fair value of \$25,200 for \$1 per year.

**Holly City Family Center**  
**(a Component Unit of Millville Housing Authority)**  
**Notes to the Financial Statements**  
**For Twelve Months Ended September 30, 2017 and 2018**

**NOTE 6      NOTES PAYABLE**

**Millville Housing Authority – Locker Room Upgrade**

The Center borrowed \$51,564 from Millville Housing Authority to renovate the locker rooms for the Holly City Family Center. Fully amortized principal and interest payments were due monthly beginning April 30, 2011 with the outstanding balance due in full on March 30, 2021. The note bears interest at a fixed rate of 7.00%. Per agreement with Millville Housing Authority all loan payments were suspended indefinitely effective January 1, 2015 and interest due on the loan from that date until payments are resumed is abated.

**Millville Housing Authority – Equipment Loan # 2**

The Center borrowed \$22,041 from Millville Housing Authority to purchase fitness equipment for the Holly City Family Center. Fully amortized principal and interest payments are due monthly beginning July 1, 2013 with the outstanding balance due in full on June 1, 2023. The note bears interest at a fixed rate of 7.00%. Per agreement with Millville Housing Authority all loan payments were suspended indefinitely effective January 1, 2015 and interest due on the loan from that date until payments are resumed is abated.

**Capital Lease – Equipment Loan # 3**

The Center borrowed \$21,658 from Micro Lease Corporation to purchase fitness equipment for the Holly City Family Center. Fully amortized principal and interest payments are due monthly beginning September 1, 2018 with a monthly lease payment of \$528 for forty-eight (48) months ending August 2022.

The following is a summary of activity for long-term notes payable September 30, 2018:

	Balance September-17	Additions	Retirement	Balance September-18
Millville H.A. - Locker Room Upgrade	\$ 46,487	\$ -	\$ -	\$ 46,487
Millville H.A. - Equipment Loan #2	19,632	-	-	19,632
Equipment Lease #3	-	21,658	(385)	21,273
Balance	<u>\$ 66,119</u>	<u>\$ 21,658</u>	<u>\$ (385)</u>	<u>\$ 87,392</u>

The schedule below describes the capital lease principal and interest payments for the next four years:

	Principal	Interest	Total
September 30, 2019	\$ 4,823	\$ 1,513	\$ 6,336
September 30, 2020	5,254	1,082	6,336
September 30, 2021	5,685	651	6,336
September 30, 2022	5,511	225	5,736
Total Lease Payable	<u>\$ 21,273</u>	<u>\$ 3,471</u>	<u>\$ 24,744</u>

**Holly City Family Center**  
**(a Component Unit of Millville Housing Authority)**  
**Notes to the Financial Statements**  
**For Twelve Months Ended September 30, 2017 and 2018**

**NOTE 7      DEFERRED REVENUE**

Deferred revenue at September 30, 2018 and 2017 represents prepaid membership fees for the Center.

**NOTE 8      CONCENTRATION OF CREDIT RISK**

The Center maintains its cash accounts at one bank. The cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, these balances may exceed the federal insurance limit; however, the Center has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at September 30, 2018.

**NOTE 9      RELATED PARTY TRANSACTIONS**

Holly City Family Center is closely associated with and related to Millville Housing Authority. The activity of Holly City Family Center has been included in the financial statements of Millville Housing Authority as a component unit for the fiscal year ended September 30, 2018 and 2017.

The Organization and Millville Housing Authority have a common Board of Trustees. There is a management agreement between the Organization and Millville Housing Authority.

The Organization also leases part of Maurice View Plaza from Millville Housing Authority for \$1 per year. The fair market value of this space is \$25,200 per year.

At September 30, 2018 notes payable to Millville Housing Authority totaled \$66,119. Payment of principal and interest was suspended as of September 30, 2015, and it is anticipated that payments will resume when Holly City Family Center achieves sufficient cash flow to meet the monthly payment requirements in the original notes.

Accounts payable due to Millville Housing Authority at September 30, 2018 was \$22,033 and \$57,529 for 2017.



**Holly City Family Center**  
**(a Component Unit of Millville Housing Authority)**  
**Notes to the Financial Statements**  
**For Twelve Months Ended September 30, 2017 and 2018**

**NOTE 11      SUBSEQUENT EVENTS**

Events that occur after the statement of financial position date but before the financial statements were available to be issued, must be evaluated for recognition or disclosed. The effects of subsequent events that provide evidence about conditions that existed after the statement of financial position date required disclosure in the accompanying notes. Management has evaluated the activity of the Center thru June 7, 2019; the date which the financial statements were available for issue and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**Holly City Family Center**  
**(A Component Unit of Millville Housing Authority)**  
**Schedule of Revenue Grants and Other Support**  
**For Twelve Months Ended September 30, 2018 and 2017**

<b><u>Revenue</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b><u>Program Services</u></b>		
Membership Dues Program Services Fees:		
Membership Dues	\$ 220,889	\$ 224,800
Pool Rental & Aquatics Classes	97,862	88,661
Day Camp Revenue	43,939	36,598
Guest Pass Income	16,427	15,330
Fitness Classes	2,217	9,665
Vending & Miscellaneous Income	2,556	3,155
Community Room Rental	-	247
Miscellaneous Other Revenue	4,099	5,944
Investment Income	94	99
In-Kind Contributions	25,200	25,200
Total Program Revenue	<u>\$ 413,283</u>	<u>\$ 409,699</u>
<b><u>Management Fees</u></b>		
Management Fees	\$ 2,602	\$ 19,042
Fee for Service	108,657	116,615
IT Service Fee	6	5,616
Total Management Revenue	<u>\$ 111,265</u>	<u>\$ 141,273</u>

See accompanying notes to the financial statements.

**Holly City Family Center**  
**(A Component Unit of Millville Housing Authority)**  
**Schedule of Operating Expenses**  
**For Twelve Months Ended September 30, 2018 and 2017**

<b><u>Operating Expenses</u></b>	<b>2018</b>	<b>2017</b>
<b><u>Program Services Expense</u></b>		
Salaries	\$ 264,208	\$ 282,369
Payroll Taxes and Employee Benefits Cost	29,104	40,644
Advertising and Marketing Expense	1,778	3,877
Bank Fees and Charges	37	-
Computer Expense	2,020	223
Depreciation Expense	35,011	34,073
Insurance	17,648	28,026
Interest Expense	143	-
Professional Fee's	-	3,369
Pool and Exercise Facilities Expense	32,074	18,710
Property Tax Expense	354	465
Rent	25,200	25,200
Repairs and Maintenance	16,784	7,994
Supplies	735	2,120
Office Expense	6,649	777
Other Operating Expenses	-	100
Training	2,508	1,967
Payroll Processing Fee	3,109	5,061
Bad Debt Expense	-	643
Utilities	52,972	57,381
Total Program Services Expense	<u>\$ 490,334</u>	<u>\$ 512,999</u>
<b><u>Management and General Expense</u></b>		
Salaries	\$ 8,563	\$ 4,559
Payroll Taxes and Employee Benefits Cost	2,075	3,075
Audit Fee	4,515	11,000
Bank Fees and Charges	10,286	8,087
Computer Cost	2,298	5,889
Professional Fee's	1,505	1,092
Postage	50	42
Office Expense	3,266	3,322
Other Operating Expenses	295	397
Telephone	4,881	2,875
Payroll Processing Cost	3,063	3,915
Total Management and General Expense	<u>\$ 40,797</u>	<u>\$ 44,253</u>

See accompanying notes to the financial statements.