

**MOBILE HOUSING AUTHORITY
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2020**

**MOBILE HOUSING AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 - 3
Required Supplementary Information	
Management's Discussion and Analysis	4 - 12
Financial Statements	
Statements of Net Position	13 - 14
Statements of Revenues, Expenses and Changes in Net Position	15
Statement of Cash Flows	16 - 17
Notes to Financial Statements	18 - 37
Required Supplementary Information	
Schedule of Changes in Net Pension Liability and Related Ratios	38
Schedule of the Authority's Pension Contributions	39
Notes to Required Supplementary Information	40
Other Supplementary Information	
Financial Data Schedule	41 - 56
Schedule of Expenditures of Federal Awards	57
Notes to Schedule of Expenditures of Federal Awards	58
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	59 - 60
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	61 - 63
Schedule of Findings and Questioned Costs	64 - 68

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Mobile Housing Authority
Mobile, Alabama

Report on Financial Statements

We have audited the accompanying financial statements of Mobile Housing Authority, which comprise the business-type activities and the aggregate discretely presented component units of the Mobile Housing Authority (the "Authority") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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 did not audit the financial statements of Downtown Renaissance Partnership I, LP, Downtown Renaissance Partnership II, LP, and Cottage Hill Place, LLC, which represent 100% of the total assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included in Downtown Renaissance Partnership I, LP, Downtown Renaissance Partnership II, LP, and Cottage Hill Place, LLC, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Auditor's Responsibility (Continued)

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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority as of December 31, 2020, and the respective changes in their financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Uncertainty Regarding Impact of Recent Disruptions in U.S. Banking System

As discussed in Note 11 to the financial statements, in March 2023, the shut-down of certain financial institutions raised economic concerns over disruption to the U.S. banking system. Given the uncertainty of the situation, the related financial statement impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 - 12, schedule of changes in net pension liability and related ratios on page 38, schedule of the Authority's pension contributions on page 39, and notes to required supplementary information on page 40, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 did not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Continued)

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedule on pages 41 - 56 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on page 57 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The financial data schedule and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting data and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
March 31, 2023

**MOBILE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2020**

Mobile Housing Authority's ("MHA") *Management Discussion and Analysis* ("MD&A") is designed to: (a) assist the reader in highlighting significant financial strategies employed by MHA in support of MHA's aspirations, initiatives and approaches to provide quality public and affordable housing, (b) provide a context and overview of MHA's financial activity, (c) identify changes in MHA's financial position (including its ability to address the next and subsequent year challenges), and (d) identify individual fund issues, concerns or challenges.

Since the MD&A is designed to focus on the Fiscal Year 2020 activities, resulting changes from previous years and currently known facts, it should be read in conjunction with MHA's financial statements.

FINANCIAL HIGHLIGHTS

The outcome of the fiscal year operations of MHA resulted in a decrease in MHA's overall financial position for the year. Some financial highlights included the following:

- Occupancy Initiative and Operations Sustainability. MHA utilized past accumulated resources along with capital fund grants primarily to: (i) address long-standing vacancy concerns, (ii) return selected aged and deteriorating housing units to rentable status, (iii) otherwise advance MHA's Occupancy Initiative, and (iv) cover operating shortfalls due to lower funding levels, and occupancy shortfalls. The results of the 2020 efforts have created opportunities to expand housing opportunities for local residents. MHA will continue its efforts towards creating clean, decent and affordable housing in the years to come. In addition, a more aggressive plan to increase occupancy is being implemented for the ensuing year. This plan is both simple and intentional, the goal being to convert as many idle units as possible into rentable spaces using the financial and physical resources available.
- Net Financial Position. MHA's Net Position decreased by \$5,562,951 or 7.55% during fiscal year 2020. The Net Position was \$68,073,819 and \$73,636,770 for 2020 and 2019, respectively.
- Decrease in Revenues. MHA's revenues decreased by \$753,889 or 1.52% during FY2020 and were \$49,003,425 and \$49,757,314 for 2020 and 2019, respectively. The decline was due to some off-setting factors including a slight decline in grant income. Additional information is provided in the "Revenue Discussion" section on page 10 of this report.
- Increase in Expenses. The total expenses of all MHA programs increased by \$3,168,992 or 6.17%. Total expenses were \$54,566,376 and \$51,397,384 for 2020 and 2019, respectively. Additional information is provided in the "Expense Discussion" section on page 10 of this report.

REQUIRED FINANCIAL STATEMENTS

The primary focus of MHA's financial statements is to highlight MHA's financial activities, including its major affiliates and subsidiaries (collectively referred to as "MHA-wide"), and the major individual funds. Both perspectives (i.e., MHA-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (i.e., year-to-year or fund-to-fund) and enhance MHA's transparency for its fiscal management and resources.

**MOBILE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2020**

MHA-WIDE FINANCIAL STATEMENTS

MHA-wide financial statements are designed to be corporate-like in that all business-type activities are consolidated into columns that add to a total for the MHA-wide perspective.

Statement of Net Position

These statements include a statement of net position, which is similar to a balance sheet. The statement of net position reports all financial and capital resources for MHA. The statement is presented in the format where assets and deferred outflows of resources, minus liabilities and deferred inflows of resources, equal "net position." Assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are presented in order of liquidity, and are classified as "current" (i.e., convertible into cash within one year) and "non-current."

The focus of the statement of net position is designed to represent the net available liquid (i.e., non-capital) assets, net of liabilities, for all of MHA. Net position is reported in three broad categories:

Net Investment in Capital Assets: This component of net position consists of all capital assets (net of depreciation), reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of net position consists of restricted assets, when constraints are placed on the asset by a third party, such as creditors (e.g., debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of net position that does not meet the definition of "net investment in capital assets."

Statement of Revenues, Expenses and Changes in Net Position

The MHA-wide financial statements also include a statement of revenues, expenses and changes in net position, which is similar to an income statement. This statement includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, and maintenance, and depreciation; and non-operating revenue and expenses, such as grant revenue, investment income and interest expense.

The focus of the statement of revenues, expenses and changes in net position is the "change in net position," which is similar to net income or loss.

Statement of Cash Flows

In addition, a statement of cash flows is included, which discloses net cash provided by, or used in operating activities, non-capital financing activities, and for capital and related financing activities.

MHA'S PROGRAM DESCRIPTION

Conventional Low-Income Public Housing Program – Under the Conventional Low-Income Public Housing Program ("LIPH"), MHA rents units that it owns to extremely low, very low, and low-income households. The LIPH is operated under an Annual Contributions Contract ("ACC") with the U.S. Department of Housing and Urban Development ("HUD"), and HUD provides Operating Subsidy and Capital Grant funding on a formula basis to assist MHA to provide the housing at a rent that is based upon 30% of household income. The LIPH also includes the Capital Fund Program, which is a primary funding source for physical and management improvements to MHA's properties and for the servicing of MHA's Capital Fund Finance Program ("CFFP") Bond debt.

**MOBILE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2020**

MHB'S PROGRAM DESCRIPTION (CONTINUED)

Housing Choice Voucher Program – Under the Housing Choice Voucher Program (“HCV Program”), MHA subsidizes rental contracts through Housing Assistance Payments (“HAP”) to independent and other authorized landlords that own the property and lease to eligible participants. This MHA subsidy of the HAP is made directly to the landlord. The HCV Program is administered under an ACC with HUD. HUD provides annual contributions funding to enable MHA to participate in a lease that generally sets the participant family’s rent at 30% of household income. Under the HCV Program, MHA may administer vouchers under the tenant-based component of the HCV Program or the project-based component of the HCV Program.

In addition, MHA receives Veterans Affairs Supportive Housing assistance in relation to the HCV Program. The HUD-Veterans Affairs Supportive Housing (“HUD-VASH”) program combines Housing Choice Voucher (“HCV”) rental assistance for homeless veterans with case management and clinical services provided by the U.S. Department of Veterans Affairs (“VA”). The VA provides these services for participating veterans at VA medical centers (“VAMCs”) and community-based outreach clinics. These two programs are combined on the financial data schedule (“FDS”). Moreover, MHA receives Mainstream program vouchers, which is another voucher-style program. Mainstream program vouchers enable families having a person with disabilities to lease affordable private housing of their choice. Mainstream program vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market. This program is reported separately on the FDS.

Business Activities – MHA operates multiple business activity programs that have an affordable housing or a “hope through housing” thrust, including:

1. Trinity Gardens – This is a small self-contained 16-unit senior affordable housing community that once received supportive funding from a third party. That funding source has been eliminated; therefore, MHA is seeking other avenues to support this development in order to maintain its current level of affordability, so that residents may continue to pay 30% of their income toward rent.
2. Affordable Housing/Real Estate Fund – This fund holds mortgage and maintenance reserves derived from the sale of affordable homes. Unrestricted reserves from this fund are available for activities to support other affordable housing purposes. Such activities might include acquisition of sites for replacement housing in support of MHA’s public housing repositioning, and other affordable housing ventures.
3. Contributed Funds – Local grants/donations are received by MHA from various organizations/persons. These funds are for varying purposes, including resident service activities, enrichment activities for youth, a summer youth work program, and other housing-related or supportive services.
4. Mixed Finance Business Activity Fund – As co-developer in mixed finance activities, MHA receives payment for the services that it provides to the various partnerships or owner entities. This fund is established to ensure that revenues from these activities are restricted and expended for appropriate activities. This fund may also consist of other non-federal funds for the purpose of funding mixed-finance transactions.
5. Other Programs – In addition to the programs mentioned above, MHA has various programs that provide resident service type programs, food services and other forms of assistance. These programs include a Resident Opportunity and Supportive Services Program, a Family Self-Sufficiency Program, and a Child and Adult Care Food Program.

MOBILE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2020

MHB'S PROGRAM DESCRIPTION (CONTINUED)

As part of its portfolio, MHA also is a general partner in two tax-credit partnerships and has a minority interest in a tax-credit limited liability company, which contain a combined 235 affordable housing units. These entities are presented in the accompanying financial statements in a separate column from the primary government activities as discretely presented component units. This MD&A report excludes the amounts and many of the activities that relate to these funds or activities. Separate financial statements for these entities are available upon request.

COMPARATIVE STATEMENTS OF NET POSITION

The following table reflects the statements of net position at December 31, 2020 and 2019:

Mobile Housing Authority
Comparative Statements of Net Position
December 31, 2020 and 2019

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Current assets	\$ 13,632,806	\$ 12,882,712	\$ 750,094	5.82 %
Noncurrent assets:				
Capital assets, net	53,475,361	58,417,475	(4,942,114)	(8.46)%
Notes receivable, net	12,512,034	12,436,250	75,784	0.61 %
Deferred outflows of resources	<u>5,899,140</u>	<u>3,107,078</u>	<u>2,792,062</u>	89.86 %
Total assets and deferred outflows of resources	<u>85,519,341</u>	<u>86,843,515</u>	<u>(1,324,174)</u>	(1.52)%
Current liabilities	1,920,260	3,462,586	(1,542,326)	(44.54)%
Noncurrent liabilities	15,277,497	9,259,240	6,018,257	65.00 %
Deferred inflows of resources	247,765	484,919	(237,154)	(48.91)%
Net position:				
Net investment in capital assets	50,394,112	53,805,502	(3,411,390)	(6.34)%
Restricted	2,329,143	1,037,107	1,292,036	124.58 %
Unrestricted	<u>15,350,564</u>	<u>18,794,161</u>	<u>(3,443,597)</u>	(18.32)%
Total liabilities, deferred inflows of resources, and net position	<u>\$ 85,519,341</u>	<u>\$ 86,843,515</u>	<u>\$ (1,324,174)</u>	(1.52)%

MOBILE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2020

FINANCIAL ANALYSIS OF THE STATEMENT OF NET POSITION

Current assets increased by a total of \$750,094 or 5.82%. Cash and cash equivalents had a decrease of \$2,677,394. Accounts receivable had an increase of \$2,523,027 primarily due to an increase in funds due from HUD at the end of the fiscal year for HCV HAP and Capital Fund related expenditures reported in the Public Housing program.

Noncurrent assets (excluding capital assets, which are addressed in the "Capital Assets" section on pages 11 of this report) increased by \$75,784 or 0.61%. This activity relates to MHA's Mixed Financed Tax Credit property, and accrued interest income activity. MHA considers the overall activity to be long-term because the realization of the notes receivable and related accrued interest activity into current liquid assets will not be achieved until the completion of the tax credit compliance period, at the earliest. However, if in the future the properties can achieve positive cash flows, then payments of accrued interest and principal would be realized.

Deferred outflows had an increase of \$2,792,062 related to the actuarial study for the pension liability as a result of changes in assumptions, and the amortization of prior year asset losses.

Current liabilities decreased by \$1,542,326 or 44.54%. This decrease was due to a decrease in accounts payable of \$456,380 or 51.59%, decrease in accrued liabilities of \$570,485 or 65.46%, and a decrease in the short-term portion of mortgages and notes payable of \$1,511,957. The 2020 decrease in accounts payable pertained to construction and modernization projects funded by the Capital Fund Program ("CFP"). Decrease in accrued liabilities is due to the timing of payments and other expenses.

Noncurrent liabilities increased by \$6,018,257 or 65.00% during the year ended December 31, 2020. The components of long-term liabilities and the significant changes during the year are as follows:

- Debt outstanding at December 31, 2020, consists of CFFP debt issue obligations. The CFFP issue obligations are through the Capital One Public Funding, LLC and were for construction and renovation activities, primarily on three MHA public housing properties. The annual repayment of this loan is made out of CFP grant funds, whereby MHA does not have to use operating funds to pay down this liability each year. MHA paid down approximately \$1.530 million in long-term CFFP bond debt obligations, on which \$144,844 was paid towards interest.
- Government Accounting Standards Board ("GASB") 68 requires that MHA adjust the pension liability to reflect estimates and assumptions completed and reported each year by an actuary. The current year change to the liability is an increase of \$6 million. The increase was the result of changes in deferred outflows and inflows along with changes of benefit terms.
- MHA had other noncurrent obligations related to compensated absences, escrow obligations, and operating loans. These other noncurrent liabilities had minimal changes over the prior year and were due to normal program activity.

Deferred inflows resulting from the actuarial study of the pension liability had a decrease of \$237,154 as a result of prior year net liability gains.

Net position reflects MHA's investment in its capital assets and the overall financial position of MHA. Additional description of the net changes are as follows:

- Net investment in capital assets decreased by \$3,411,390 or 6.34% due to depreciation expense, plus improvements, plus principal payments on the mortgage bonds.

**MOBILE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2020**

FINANCIAL ANALYSIS OF THE STATEMENT OF NET POSITION (CONTINUED)

- Restricted net position increased by \$1,292,036 or 124.58%, due primarily to increase in cash restricted for modernization designated by management.
- Unrestricted net position decreased by \$3,443,597 or 18.32%, due to the change in restricted activity classification and related impact of the current operating loss.

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following table presents the statements of revenues, expenses and changes in net position for the years ended December 31, 2020 and 2019:

**Mobile Housing Authority
Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2020 and 2019**

	December 31, 2020	December 31, 2019	\$ Change	% Change
Revenues:				
Grants	\$ 44,869,283	\$ 45,139,267	\$ (269,984)	(0.60)%
Tenants	3,627,282	4,072,960	(445,678)	(10.94)%
Others	297,616	371,893	(74,277)	(19.97)%
Interest income	<u>209,244</u>	<u>173,194</u>	<u>36,050</u>	20.81 %
Total revenues	<u>49,003,425</u>	<u>49,757,314</u>	<u>(753,889)</u>	(1.52)%
Expenses:				
Administration	7,331,158	4,681,910	2,649,248	56.58 %
Tenant services	605,702	633,747	(28,045)	(4.43)%
Utilities	2,531,560	3,011,446	(479,886)	(15.94)%
Ordinary maintenance	6,097,007	5,430,194	666,813	12.28 %
Protective services	348,145	315,696	32,449	10.28 %
General	2,209,074	2,093,986	115,088	5.50 %
Housing assistance payments	28,937,764	28,304,357	633,407	2.24 %
Interest expense	144,844	191,666	(46,822)	(24.43)%
Depreciation and amortization	<u>6,361,122</u>	<u>6,734,382</u>	<u>(373,260)</u>	(5.54)%
Total expenses	<u>54,566,376</u>	<u>51,397,384</u>	<u>3,168,992</u>	6.17 %
Changes in net position	(5,562,951)	(1,640,070)	(3,922,881)	239.19 %
Net position, beginning	<u>73,636,770</u>	<u>75,276,840</u>	<u>(1,640,070)</u>	(2.18)%
Net position, ending	<u>\$ 68,073,819</u>	<u>\$ 73,636,770</u>	<u>\$ (5,562,951)</u>	(7.55)%

While the statement of net position shows the change in financial position, the statement of revenues, expenses and changes in net position breaks down MHA's revenues and expenses shown above, and provides a combined statement of these changes in net position. The HUD funding schedule shown below provides a schedule of governmental revenues by program source.

**MOBILE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2020**

REVENUE DISCUSSION

Total revenues decreased by \$753,889 or 1.52%. The decrease was due to multiple factors, but primarily due to a decrease in operating grant income.

Historically the low-income public housing program will use a mix of capital grants and other funding sources to improve severely damaged, deteriorating and unsafe units to meet the goals and guidelines of MHA. In the current year this activity was funded from current operations, reserves and CFP resources.

See the program funding schedule below:

<u>Year</u>	<u>Public Housing</u>	<u>Capital Funds</u>	<u>Section 8 Vouchers</u>	<u>Family Self Sufficiency</u>	<u>Other</u>	<u>Mainstream Vouchers</u>
2020	\$ <u>7,797,177</u>	\$ <u>5,105,745</u>	\$ <u>30,870,187</u>	\$ <u>215,979</u>	\$ <u>110,288</u>	\$ <u>769,907</u>
2019	\$ <u>8,338,976</u>	\$ <u>5,493,359</u>	\$ <u>30,104,317</u>	\$ <u>419,150</u>	\$ <u>196,148</u>	\$ <u>587,317</u>
Change	\$ <u>(541,799)</u>	\$ <u>(387,614)</u>	\$ <u>765,870</u>	\$ <u>(203,171)</u>	\$ <u>(85,860)</u>	\$ <u>182,590</u>
% Change	<u>(6.50)%</u>	<u>(7.06)%</u>	<u>2.54 %</u>	<u>(48.47)%</u>	<u>(43.77)%</u>	<u>31.09 %</u>

The overall funding for public housing decreased as compared to the prior year, due to a decline in occupancy. Cash flow continues to be lower than the amount needed to operate efficiently, to maintain an aging rental housing stock, to conduct preventive maintenance, and deliver the quantity of residential services desired by both management and the residents in the Mobile metropolitan area.

MHA receives Capital Fund grants each year to pay for planned capital improvements to its properties; however, the overall formula allocations received each year from CFP have been inadequate to meet MHA's aging inventory. Management has had to prioritize how CFP funds are used. In 2020, approximately \$2.949 million was used for modernization and \$1.381 million was used to support current operations. During 2019, approximately \$2 million was used for modernization and demolition, while \$1.3 million was used to support current operations.

The HCV Program recognized a \$0.610 million increase in revenues due to an increase in lease payments, as occupancy levels remain stable for 2020. The HCV Program ended the year with \$1.6 million of combined program reserves to begin the new year.

EXPENSE DISCUSSION

Total expenses increased overall by \$3,168,992 or 6.17%. The key changes are highlighted below:

Administration expenses increased by \$2,649,248 or 56.58% resulting from an increase in pension expense based on the results of the actuarial valuation.

Tenant services decreased by \$28,045 or 4.43%. This decrease was caused by a decrease in personnel costs, and other tenant services.

Utilities declined \$479,886 or 15.94%, which was 5.73% less than budget. Utility expenses will vary, depending on occupancy (which declined 4% from the prior year), utility rates, and changes in weather patterns.

Maintenance expenses increased by \$666,813 or 12.28%, which was 10.94% over the amount budgeted for the year. While the 2020 expenditures exceeded those of the prior year, maintenance expense will continue to be high due to our aging inventory of units.

Protective services increased by \$32,449 or 10.28% due to increased security contracts. The 2020 expenditures were 15.77% over budget, and on-site security was needed in five of MHA's communities. Security and the safety of MHA's residents remain an important priority of MHA's board of commissioners and professional staff.

**MOBILE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2020**

EXPENSE DISCUSSION (CONTINUED)

General expenses increased by \$115,088 or 5.50%. In 2020, expenditures were 1.5% less than budget. Various increases were offset by decreases or cost savings within the general expenses.

HAP expenses increased by \$633,407 or 2.24%, due to increased landlord payments, as utilization remains constant. Operating this program involves leasing up new participants to replace others leaving the program each month. Current utilization is approximately 87.42% of the vouchers available, and an additional 540 vouchers are available to be assigned to new eligible participants. MHA is continuing efforts to increase lease-ups in the program, notwithstanding that there continues to be a shortage of housing available within the Mobile Metropolitan Area.

Interest expense decreased by \$46,822 or 24.43%. This is a result of continuing to decrease the balance owed on the CFFP bond debt, as these bonds move closer to maturity.

Depreciation and amortization expense decreased by \$373,260 or 5.54% due to certain assets being fully depreciated.

CAPITAL ASSETS

As of year end, MHA had \$53,475,361 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (i.e., additions, dispositions and depreciation) of \$4,942,114 or 8.46% from the end of last year.

The following presents the changes in capital assets (net of accumulated depreciation) at December 31, 2020 and 2019:

Mobile Housing Authority Changes in Capital Assets (Net of Accumulated Depreciation) December 31, 2020 and 2019				
	December 31, 2020	December 31, 2019	\$ Change	% Change
Land	\$ 9,143,887	\$ 9,143,887	\$ -	- %
Buildings and improvements	214,247,809	212,923,434	1,324,375	0.62 %
Equipment	<u>1,995,544</u>	<u>2,187,518</u>	<u>(191,974)</u>	(8.78)%
Total capital assets	225,387,240	224,254,839	1,132,401	0.50 %
Accumulated depreciation	<u>(171,911,879)</u>	<u>(165,837,364)</u>	<u>(6,074,515)</u>	3.66 %
Capital assets, net of accumulated depreciation	<u>\$ 53,475,361</u>	<u>\$ 58,417,475</u>	<u>\$ (4,942,114)</u>	(8.46)%

MHA administered three CFP modernization and revitalization grants received from HUD's CFP during the year. The CFP provided approximately \$5.1 million. Of this amount, \$1.5 million was applied to the CFFP debt, and \$3.6 million was invested in maintenance and operations. The CFP funds continue to provide critical funding element to the public housing inventory, and to augment deficit cash flow resulting from the continued reduction or proration of the operating subsidy. The need for these capital funds continues as they help in minimizing gap funding and with maintaining MHA's aging housing inventory.

Depreciation and amortization expense was \$6,361,122 for fiscal year 2020.

**MOBILE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
DECEMBER 31, 2020**

ECONOMIC FACTORS

Significant economic factors affecting MHA are as follows:

- Continued decreases in federal funding from HUD.
- Increased regulatory requirements of HUD, combined with reduced HUD funding.
- Continuing aging and deterioration of MHA's developments.
- Unusual number of idle units left unrented and exposed to vandalism and deterioration.
- Changing of FEMA flood maps which placed many MHA apartments within 100-year flood zones thereby requiring increased insurance costs.
- Inflationary pressure on utility rates, supplies and other costs, etc.
- Changes in equity pricing for tax credits could have a significant impact on future redevelopment.
- Continued need for CFP funding necessary towards maintaining and improvement of MHA properties.
- The revitalization of public housing, including the conversion of idle units into viable leased units, conforming to HUD's Housing Quality Standards.
- MHA continues to be under review by HUD's PHARS (Public Housing Asset Recovery System). Consequently, MHA is subject to a more stringent emphasis on daily operations and maintaining existing assets, thus placing less emphasis on redevelopment.
- Future challenges pertaining to redevelopment, transitioning of vacant units into occupied units, and future repositioning strategies.
- The outbreak and continuation of the COVID-19 Pandemic which increased maintenance and labor cost.

ADDITIONAL INFORMATION

MHA is continuing to move forward in its exploration of redevelopment alternatives. The executive director will be revisiting each of its transformation strategies to determine their best use. Having received an extension of the Rental Assistance Demonstration Program ("RAD") deadlines, the executive director will have an opportunity to explore the needs of each property in making the necessary decisions for redevelopment, including converting to the RAD initiative. The goal is to transition properties that currently have negative cash flows to viable properties achieving positive cash flows, while providing decent, safe, and sanitary housing to its residents.

CONTACTING THE AUTHORITY

This financial report is designed to provide MHA's residents, the citizens of Mobile, Alabama, all applicable federal and state regulatory bodies, and any creditors with a general overview of MHA's finances. If there are any questions regarding this report, please contact the Finance Department, Mobile Housing Authority, 151 South Claiborne Street, Mobile, Alabama 36602.

**MOBILE HOUSING AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2020**

ASSETS

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Current assets:		
Cash - unrestricted	\$ 4,986,559	\$ 1,530,135
Cash - restricted	3,489,558	2,184,335
Cash - restricted - tenant security deposits	327,202	78,711
Certificates of deposit	1,123,692	-
Accounts receivable, net of allowance for doubtful accounts	3,159,876	51,216
Prepaid expenses	<u>545,919</u>	<u>83,567</u>
Total current assets	<u>13,632,806</u>	<u>3,927,964</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	53,475,361	29,589,912
Notes receivable, net	12,512,034	-
Other assets	<u>-</u>	<u>1,199,623</u>
Total noncurrent assets	<u>65,987,395</u>	<u>30,789,535</u>
Total assets	79,620,201	34,717,499
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension plan	<u>5,899,140</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 85,519,341</u>	<u>\$ 34,717,499</u>

See accompanying notes to financial statements.

**MOBILE HOUSING AUTHORITY
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2020**

LIABILITIES

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Current liabilities:		
Accounts payable	\$ 428,200	\$ 566,503
Accrued liabilities	41,236	87,480
Accrued compensated absences, current	12,983	-
Tenant security deposits	327,202	75,605
Unearned revenue	1,091,871	8,316
Accrued interest payable	-	1,571,408
Mortgages and notes payable, current	18,768	35,929
Due to affiliate	<u>-</u>	<u>25,906</u>
Total current liabilities	<u>1,920,260</u>	<u>2,371,147</u>
Noncurrent liabilities:		
Mortgages and notes payable, noncurrent, net	3,062,481	13,672,576
Deferred revenue - tax credit exchange loan	-	1,176,444
Family self-sufficiency escrows	207,922	-
Accrued compensated absences, noncurrent	246,762	-
Loan liability, noncurrent	427,745	-
Net pension liability	<u>11,332,587</u>	<u>-</u>
Total noncurrent liabilities	<u>15,277,497</u>	<u>14,849,020</u>
Total liabilities	<u>17,197,757</u>	<u>17,220,167</u>

DEFERRED INFLOWS OF RESOURCES

Pension plan	<u>247,765</u>	<u>-</u>
--------------	----------------	----------

NET POSITION

Net investment in capital assets	50,394,112	15,881,407
Restricted net position	2,329,143	2,187,441
Unrestricted net position	<u>15,350,564</u>	<u>(571,516)</u>
Total net position	<u>68,073,819</u>	<u>17,497,332</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 85,519,341</u>	<u>\$ 34,717,499</u>

See accompanying notes to financial statements.

MOBILE HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

	Primary Government	Discretely Presented Component Units
	<u> </u>	<u> </u>
Operating revenues:		
Rental income	\$ 3,627,282	\$ 1,791,898
HUD operating grant income	42,043,641	-
Other government grant income	110,288	-
Other operating income	<u>297,616</u>	<u>63,832</u>
Total operating revenues	<u>46,078,827</u>	<u>1,855,730</u>
Operating expenses:		
Administration	7,331,158	446,917
Tenant services	605,702	-
Utilities	2,531,560	159,262
Ordinary maintenance and operations	6,097,007	500,099
Protective services	348,145	27,732
General expense	2,209,074	255,656
Housing assistance payments	28,937,764	-
Depreciation and amortization	<u>6,361,122</u>	<u>1,348,240</u>
Total operating expenses	<u>54,421,532</u>	<u>2,737,906</u>
Operating loss	<u>(8,342,705)</u>	<u>(882,176)</u>
Non-operating revenues (expenses):		
Capital distributions	-	(22,402)
Forgiveness of tax credit exchange loan	-	78,430
HUD capital grants	2,715,354	-
Investment income	209,244	7,086
Interest expense	<u>(144,844)</u>	<u>(384,766)</u>
Non-operating revenues (expenses), net	<u>2,779,754</u>	<u>(321,652)</u>
Changes in net position	(5,562,951)	(1,203,828)
Net position - beginning of year	<u>73,636,770</u>	<u>18,701,160</u>
NET POSITION - END OF YEAR	<u>\$ 68,073,819</u>	<u>\$ 17,497,332</u>

See accompanying notes to financial statements.

**MOBILE HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Primary Government
Cash flows from operating activities:	
Receipts from tenants	\$ 3,117,416
Receipts from operating grants	42,224,660
Other receipts	1,281,078
Housing assistance payments	(28,937,764)
Payments for goods and services	(11,906,026)
Payments for employees	<u>(4,754,370)</u>
Net cash provided by operating activities	<u>1,024,994</u>
Cash flows from capital and related financing activities:	
Purchases of capital assets	(1,419,008)
Capital contributions from HUD	329,233
Principal payments on mortgages and notes payable	(1,530,724)
Interest payments on mortgages and notes payable	<u>(144,844)</u>
Net cash used in capital and related financing activities	<u>(2,765,343)</u>
Cash flows from investing activities:	
Interest income	186,647
Purchases of investments	<u>(1,123,692)</u>
Net cash used in investing activities	<u>(937,045)</u>
Net decrease in cash and restricted cash	(2,677,394)
Cash and restricted cash - beginning of year	<u>11,480,713</u>
CASH AND RESTRICTED CASH - END OF YEAR	<u>\$ 8,803,319</u>

Reconciliation of cash and restricted cash:

The following table provides a reconciliation of cash and restricted cash reported within the statement of net position that sums to the total of the same such amount shown in the statement of cash flows as of December 31, 2020:

Cash - unrestricted	\$ 4,986,559
Cash - restricted	3,489,558
Cash - restricted - tenant security deposits	<u>327,202</u>
	<u>\$ 8,803,319</u>

See accompanying notes to financial statements.

**MOBILE HOUSING AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Primary Government</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (8,342,705)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Pension	6,095,332
Depreciation	6,361,122
Changes in operating assets and liabilities:	
Deferred outflows of resources	(2,792,062)
Accounts receivable	(156,149)
Due from other governments	19,243
Prepaid expenses	219,231
Other assets	(75,784)
Accounts payable	(507,868)
Accounts payable to other agencies	51,488
Accrued expenses and other current liabilities	(570,485)
Other noncurrent liabilities	(45,373)
Unearned revenue	1,006,158
Deferred inflows of resources	<u>(237,154)</u>
Net cash provided by operating activities	<u>\$ 1,024,994</u>

See accompanying notes to financial statements.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Mobile Housing Authority (the "Authority") was created under the laws of the state of Alabama. The Authority is governed by a board of commissioners appointed by the mayor of the city of Mobile, Alabama, subject to approval by the city council; however, the board designates its own management. The purpose of the Authority is to administer the housing programs authorized by the United States Housing Act of 1937 and amendments thereto. The programs are subsidized by the federal government through the U.S. Department of Housing and Urban Development ("HUD"). The Authority also manages various unsubsidized projects owned by the Authority. The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting.

Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. Blended involves merging the component unit data with the primary organization. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary organization. There are two situations where blending is allowed: (1) when the board of the component unit is substantially the same as that of the primary organization, and (2) when the component unit served the primary organization exclusively, or almost exclusively.

The criteria for including organizations within the Authority's reporting entity are set forth in GASB Statement No. 14, as amended by GASB Statement No. 61, *The Financial Reporting Entity*.

- The organization is legally separate (can sue and be sued in its own name).
- The Authority holds the corporate powers of the organization.
- The Authority appoints a voting majority.
- The Authority is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the Authority.
- There is fiscal dependency by the organization on the Authority.

Basis of Accounting, Measurement Focus, and Financial Statement Presentation

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting, Measurement Focus, and Financial Statement Presentation
(Continued)

The Authority utilizes a measurement focus known as the flow of economic resources and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the statement of net position. The statements of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Authority applies all relevant GASB pronouncements and all applicable Financial Accounting Standards Board ("FASB") pronouncements issued before November 30, 1989.

The Authority distinguishes between operating and nonoperating revenues and expenses in its statements of revenues, expenses and changes in net position. For this purpose, the Authority's operating revenues result from providing low-income housing services such as tenant rent, rental assistance and other tenant charges. Operating expenses include the cost attributed to administration, tenant services, utilities, maintenance and operations, debt service and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The Authority has one enterprise fund, which includes the activities of the following programs:

Public Housing Program: This program accounts for the operation, maintenance, and development of housing units which are owned by the Authority. The development of the projects was funded primarily by HUD through loans and bonds. The loans have been forgiven by HUD and the bond debt service and repayment requirements are the responsibility of HUD and, therefore, no outstanding liabilities are recorded. This program is subsidized annually by an operating subsidy from HUD and through capital grants for capital improvements.

Section 8 Housing Choice Voucher Program: This program, funded primarily by HUD, accounts for the operation of the voucher program, whereby housing for eligible low-income families is provided through the use of vouchers issued to residents to secure housing in the private sector.

Capital Fund Program: The objective of this program is to improve the physical condition of the Low-Income Public Housing units and upgrade the management of the program.

Resident Opportunities & Supportive Services Grant: The objective of this program is to provide counseling and other services to residents.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting, Measurement Focus, and Financial Statement Presentation
(Continued)

Supportive Housing for People with Disabilities: The objective of this program is to provide housing for eligible low-income disabled elderly or disabled non-elderly families through housing assistance payments to landlords. The program is managed through the Section 8 Voucher Program. The Authority processes all Section 8 vouchers, approves applicants for housing and contracts with the private landlords to make assistance payments for the difference between the approved contract rent and actual rent paid by the low-income tenants. HUD funds the Authority for the rental supplements and the administrative costs of managing the program based on funding levels available for HUD, not on actual cost.

Child Care Food Program: The objective of this program is to provide nutritious meals and snacks each day to children served by the day care as part of their day care.

Other Business Activities: The Authority operates multiple business activity programs that have an affordable housing or "hope through housing" thrust, including:

1. Trinity Gardens: This is a small self-contained 16-unit senior affordable housing community that once received supportive funding from a third party. That funding source has been eliminated; therefore the Authority is seeking other avenues to support this development in order to maintain its current level of affordability, so that residents may continue to pay 30% of their income toward rent.
2. Affordable Housing/Real Estate Fund: This fund holds mortgage and maintenance reserves derived from the sale of affordable homes. Unrestricted reserves from this fund are available for activities to support other affordable housing purposes. Such activities might include acquisition of sites for replacement housing in support of the Authority's public repositioning, and other affordable housing ventures.
3. Contributed Funds: Local grants/donations are received by the Authority from various organizations/persons. These funds are for varying purposes, including resident service activities, enrichment activities for youth, and a summer youth work program known as "SWEET-P."
4. Mixed Finance Business Activity Fund: As co-developer in mixed finance activities, the Authority receives payment for the services that it provides to the various partnerships. This fund is established to ensure that revenues from these activities are carefully segregated and expended for appropriate activities.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting, Measurement Focus, and Financial Statement Presentation
(Continued)

Blended Component Units: The following entities are considered blended component units:

- a. *Mobile Development Enterprises* ("MDE") is a corporation formed in Alabama and qualified as a not-for-profit corporation under Section 115 of the Internal Revenue Code of 1986, and is exempt from federal income taxes. MDE is organized and operated exclusively as a subsidiary of the Authority. MDE was formed for the purpose of operating a community development center for the benefit of Mobile County's low and moderate income residents. The MDE has the same board members as the board of commissioners of the Authority. A copy of the financial statements of MDE for the year ended December 31, 2020, is available upon written request to the Authority at 151 South Claiborne Street, Mobile, Alabama 36602 attn: finance department.
- b. *Housing Supportive Services Group* ("HSSG") is a corporation formed in Alabama and qualified as a not-for-profit corporation under Section 115 of the Internal Revenue Code of 1986, and is exempt from federal income taxes. HSSG is organized and operated exclusively as a subsidiary of the Authority. The entity was developed to manage and operate the Central Plaza Towers assisted living facility, which is a HOPE VI project. This facility was closed on August 15, 2017.
- c. The Authority is the general partner in two real estate operating limited partnerships as of December 31, 2020. The limited partnership interests of the partnerships are held by a third party unrelated to the Authority as the general partner; the Authority has certain rights and responsibilities which enable it to impose limited will on the operating limited partnerships, subject to limited partner approval. Additionally, the Authority is legally obligated to fund operating deficits in accordance with the terms of the partnership agreements. The Authority also has outstanding loans and advances to the operating limited partnerships amounting to \$10,448,596 at December 31, 2020.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting, Measurement Focus, and Financial Statement Presentation
(Continued)

Discrete Component Units

Downtown Renaissance Partnership I, LP was formed as a limited partnership under the laws of the state of Alabama on March 27, 2008. The purpose of the partnership is to develop, construct and operate an affordable housing project consisting of 88 rental units for seniors. Each building of the project has qualified for and been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42, which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. Each building of the project must meet the provisions of these regulations during each of 15 consecutive years through 2023 in order to continue to qualify to receive the tax credits. It is reported as part of the reporting entity under the discretely presented method because the Authority's management has determined that the nature and significance of its relationship with Downtown Renaissance Partnership I, LP would render the Authority's financial statements misleading to not include the reporting entity.

Downtown Renaissance Partnership II, LP was formed as a limited partnership under the laws of the state of Alabama on February 29, 2008. The purpose of the partnership is to develop, construct and operate an affordable housing project consisting of 87 rental units located in Mobile, Alabama. Operations began during 2011. Each building of the project has qualified for and was allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42, which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. Each building of the project must meet the provisions of these regulations during each of 15 consecutive years subsequent to the date of placed-in-service in order to continue to qualify to receive the tax credits. It is reported as part of the reporting entity under the discretely presented method because the Authority's management has determined that the nature and significance of its relationship with Downtown Renaissance Partnership II, LP would render the Authority's financial statements misleading to not include the reporting entity.

Cottage Hill Place, LLC was formed as a limited liability company under the laws of the state of Alabama on January 14, 2016. The purpose of the company is to develop, construct and operate an affordable housing project that has qualified for and been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42, which regulates the use of the project as to occupant eligible and unit gross rent, among other requirements. Each building of the project must meet the provisions of these regulations during each of 15 consecutive years through 2032 in order to continue to receive the tax credit. It is reported as part of the reporting entity under the discretely presented method because the Authority's management has determined that the nature and significance of its relationship with Cottage Hill Place, LLC would render the Authority's financial statements misleading to not include the reporting entity.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets which are formally adopted by its board of commissioners. The budgets for programs funded by HUD form the basis of the federal financial assistance received through HUD.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, deferred outflows, liabilities, deferred inflows, revenues, expenses, and other disclosures. Actual results could differ from those estimates.

Eliminations

Transactions between the Authority's different programs and interprogram receivables and payables have been eliminated in the accompanying financial statements.

Cash Equivalents and Investments

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

The Authority's deposits can only be invested in the following HUD-approved investments: direct obligations of the federal government backed by the full faith and credit of the United States, obligations of federal government agencies, securities of government-sponsored agencies, demand and savings deposits, money-market deposit accounts, municipal depository funds, super now accounts, certificates of deposit, repurchase agreements, sweep accounts, separate trading of registered interest and principal securities, and mutual funds that consist of securities purchased from the HUD-approved list.

Accounts Receivable

All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts. Allowances are reported when accounts are proven to be uncollectible.

Other Current Assets

Prepaid expenses are for payments made by the Authority in the current fiscal year to provide services occurring in the subsequent fiscal year.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

Capital assets are stated at actual or estimated historical cost, net of accumulated depreciation. Contributions of assets are recorded at acquisition value at the date received. The Authority generally capitalizes assets with a cost of \$5,000 or more as purchases and construction outlays occur. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the assets are expensed as incurred.

Depreciation has been calculated on each class of depreciable property using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Buildings and improvements	15 - 40 years
Furniture, fixtures and equipment	3 - 10 years

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that is applicable to future reporting periods. Deferred outflows of resources in the statement of net position consist of the unamortized portions of the net difference between projected and actual earnings on pension plan investments, the net difference between actual expected and actual experience with regard to economic and demographic factors in the measurement of the total pension liability, changes of assumptions about future economic or demographic factors or other inputs and the net effect of the change in the employer's proportional share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources related to pensions. Deferred outflows also contain employer pension contributions made after the measurement date.

Compensated Absences

The Authority's policy allows employees to accumulate unused vacation and sick leave.

Unearned Revenues

The Authority's unearned revenues primarily consist of the prepayment of rent by residents applicable to future periods.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the MHA Employees' Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined based on information provided by MHA and financial information provided by John Hancock in consultation with Gallagher Benefit Service, Inc. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that is applicable to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the statement of net position consist of the unamortized portions of the net difference between projected and actual earnings on pension plan investments, the net difference between actual expected and actual experience with regard to economic and demographic factors in the measurement of the total pension liability, changes of assumptions about future economic or demographic factors or other inputs and the net effect of the change in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources related to pensions.

Net Position

Net position is the result of deducting all liabilities and deferred inflows of resources from all assets and deferred outflows of resources. GASB requires the classification of net position into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- *Net investment in capital assets* - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* - This component of net position consists of restrictions placed on the use of net position through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. It is comprised of assets, net of related liabilities that are required to be set aside by debt covenants for operations, maintenance, and renewal and replacements.
- *Unrestricted* - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted." When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Authority's policy is to apply the restricted component of net position first.

Grant Revenue

The Authority, a recipient of grant revenues, recognizes revenues when all applicable eligibility requirements, including time requirements, are met in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Resources transmitted to the Authority before the eligibility requirements are met are reported as unearned revenue.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Income received or generated by the Authority is not subject to federal income tax, pursuant to Section 115 of the Internal Revenue Code. In addition, the Authority is exempt from state and local property taxes. Interest paid on obligations issued by the Authority is excludable from the gross income of the recipients, pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended. Contributions to the Authority are tax deductible contributions, pursuant to Sections 170(b)(1)(A)(v) and 170(c)(1) of the Internal Revenue Code of 1986, as amended.

Recently Issued but not yet Effective Accounting Pronouncements

GASB Statement No. 87 - Leases

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. Management is currently evaluating the effect that the statement will have on its financial statements and related disclosures.

GASB Statement No. 96 - Subscription-Based Information Technology Arrangements

This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Management is currently evaluating the effect that the statement will have on its financial statements and related disclosures.

NOTE 2. CASH AND RESTRICTED CASH

At December 31, 2020, the Authority's deposits with financial institutions had a carrying amount of \$8,803,319 and a bank balance of \$8,341,594. Total deposits are required to either be covered by federal depository insurance or be collateralized with securities held by a third-party custodian in the Authority's name. Management of the Authority believes that the funds are adequately collateralized at December 31, 2020.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2. CASH AND RESTRICTED CASH (CONTINUED)

Restricted Cash

Included in total cash and cash equivalents is restricted cash which is held for the following:

	Primary Government	Discretely Presented Component Units
Restricted for CFP	\$ 1,192,057	\$ -
FSS escrow funds	207,922	-
CFFP escrows	827,986	-
Unspent HAP	245,463	-
Unspent CARES Act funds	952,493	-
Unspent DHAG Funds	63,637	-
Reserves and escrows	-	2,184,335
	\$ 3,489,558	\$ 2,184,335

Excess budget authority disbursed to housing authorities that is not utilized to pay housing assistance payments ("HAP") may only be used to assist additional families up to the number of units under contract. Since these funds cannot be used to support other program operating expenses, excess funds have been classified as restricted cash in the accompanying financial statements.

Pursuant to the conversion of housing units under the Rental Assistance Demonstration Program, the Authority was required to set up restricted reserve accounts to cover physical needs and other funding requirements.

Tenant security deposits - The Authority has cash of \$327,202 restricted for reimbursement of the tenants' security deposits upon conclusion of the tenant's occupancy.

Evaluation of Risk Factors

Interest rate risk - The Authority generally manages this risk by holding short-term investments with maturities of less than one year.

Credit risk - Credit risk is evaluated based on the credit ratings issued by nationally recognized statistical rating organizations.

Custodial credit risk - This is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's policies do not restrict the amount they may invest with any one custodian.

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable, net consisted of the following at December 31, 2020:

Tenant accounts receivable, net of allowance of \$49,109	\$ 584,308
Accounts receivable - HUD	2,455,282
Account receivable - Miscellaneous	120,286
Accounts receivable, net	\$ 3,159,876

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4. CAPITAL ASSETS

Capital assets consisted of the following as of and for the year ended December 31, 2020:

Primary Government

	Beginning Balance 1/01/2020	Additions	Disposals and Transfers	Ending Balance 12/31/2020
Land	\$ 9,143,887	\$ -	\$ -	\$ 9,143,887
Total capital assets not being depreciated	9,143,887	-	-	9,143,887
Building and improvements	212,923,434	1,324,375	-	214,247,809
Furniture and equipment	2,187,518	94,633	(286,607)	1,995,544
Total capital assets being depreciated	215,110,952	1,419,008	(286,607)	216,243,353
Accumulated depreciation	(165,837,364)	(6,361,122)	286,607	(171,911,879)
Depreciated assets, net	49,273,588	(4,942,114)	-	44,331,474
Capital assets, net	\$ 58,417,475	\$ (4,942,114)	\$ -	\$ 53,475,361

Discretely Presented Component Units

Land improvements	\$ 13,532,330
Buildings	25,548,237
Furniture and equipment	1,462,004
Accumulated depreciation	(10,952,659)
	<u>\$ 29,589,912</u>

NOTE 5. LONG-TERM DEBT

Primary Government

In 2014, the Authority refinanced its outstanding Capital Fund Finance Program ("CFFP") Revenue Bonds with a long-term loan with Capital One Public Funding, LLC in order to reduce future interest obligations. The note bears interest at a fixed rate of 3.15% and matures on January 1, 2023. The original proceeds of the bonds were used to acquire, construct, equip, renovate and improve public housing developments owned and operated by the Authority for rental and occupancy by qualified tenants under the applicable HUD rules and regulations. Payments of principal and interest are due on January 1 and July 1 of each respective year. The debt is designated "Capital Fund Financing Program" debt and is secured by future proceeds from the HUD Capital Fund and all payments are made by a fiscal agent. The note is secured by building and improvements on the property.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5. LONG-TERM DEBT (CONTINUED)

Primary Government (continued)

Deutsche Bank Trust Company Americas is acting as the fiscal agent. The payments are made by HUD through the fiscal agent with the Authority recording all activity related to the servicing of the debt. Maturity of long-term debt for each of the three succeeding years was as follows at December 31, 2020:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 18,768	\$ 123,653	\$ 142,421
2022	1,537,359	24,021	1,561,380
2023	<u>1,525,122</u>	<u>-</u>	<u>1,525,122</u>
	<u>\$ 3,081,249</u>	<u>\$ 147,674</u>	<u>\$ 3,228,923</u>

At December 31, 2020, there was a loan liability with the Federal Home Loan Bank of Atlanta in the amount of \$427,745. The liability will be forgiven after the compliance period is completed in 2023, but remains a liability until the conditions are totally satisfied. The Authority intends to be fully compliant with this property as required by the Federal Home Loan Bank.

Discretely Presented Component Units

Downtown Renaissance Partnership I, LP

The Authority lent Downtown Renaissance Partnership I, LP the principal sum of \$2,548,026 under a HOPE VI loan. The loan shall accrue interest at the rate of 4%, which is the weighted average applicable federal rate ("AFR") on the date the proceeds were received and compound annually. Annual payments are to be made from available cash flow. The balance will be due on June 21, 2059. Interest expense for the year ended December 31, 2020 was \$159,611, of which \$2,553 was debt issuance cost amortization based on an imputed interest rate of 4.1%. Accrued interest as of December 31, 2020, is \$1,535,491. The outstanding principal balance as of December 31, 2020, is \$2,548,046, less unamortized debt issuance costs of \$98,213, resulting in a net outstanding balance of \$2,449,833.

The Authority lent Downtown Renaissance Partnership I, LP the principal sum of \$440,000. This loan is noninterest-bearing and annual payments are to be made from available cash flow. Any outstanding principal is due at maturity on June 19, 2059. The outstanding principal balance as of December 31, 2020 is \$427,745.

The above mortgages are collateralized by all rental property of Downtown Renaissance Partnership I, LP.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5. LONG-TERM DEBT (CONTINUED)

Discretely Presented Component Units (Continued)

Downtown Renaissance Partnership II, LP

During 2009, Downtown Renaissance Partnership II, LP applied for and received a loan in the original amount of \$3,137,190, which was funded with tax credit exchange ("TCE") funds from Alabama Housing Finance Authority ("AHFA") pursuant to Section 1602 of the American Recovery and Reinvestment Act of 2009 ("Section 1602"). Under Section 1602, state housing agencies can exchange allocations of low-income housing tax credits ("LIHTC") which have been allocated to their state under Section 42 for cash at a prescribed rate of up to \$0.85 for each dollar of LIHTC. In turn, the state housing agencies can use Section 1602 funds to make forgivable loans to properties that qualify for LIHTC. As of December 31, 2020, the outstanding balance is \$1,254,876.

Loan proceeds funded with Section 1602 program funds are intended to assist with payment of development costs of LIHTC properties. In exchange for the funds received, Downtown Renaissance Partnership II, LP has agreed to operate the property in accordance with Section 42. Portions of the loan which have been forgiven are considered government assistance related to assets. Downtown Renaissance Partnership II, LP will record the portions of the loan which will be forgiven as a reduction to the cost of the buildings and improvements. This amount will be recognized as a reduction of depreciation expense based on the total amount of the loan expected to be forgiven amortized on a straight-line basis over the 40-year depreciable life of the buildings and improvements. The annual forgiveness is expected to be \$209,146 over 15 years. However, the amount of annual debt forgiveness recognized will be limited to the amount of depreciation attributable to the assets produced by the exchange proceeds, \$78,430. The amount of deferred revenue - tax credit exchange loan as of December 31, 2020, is \$1,176,444.

The Authority has agreed to lend to Downtown Renaissance Partnership II, LP a principal sum of \$5,432,328 under a HOPE VI loan. The loan is noninterest-bearing and is due at maturity, which is 40 years from completion of the project, May 2051. Debt issuance costs on the above note are being amortized using an imputed interest rate of 0.071%. The outstanding principal balance as of December 31, 2020, is \$5,432,328. Debt issuance costs, net of accumulated amortization, totaled \$120,576 as of December 31, 2020, resulting in a net outstanding balance of \$5,311,752.

The Authority has agreed to lend to Downtown Renaissance Partnership II, LP a principal sum of \$662,045. This loan is noninterest-bearing and due at maturity, which is 40 years from completion of the project, May 2051. The outstanding principal balance as of December 31, 2020, is \$662,045.

The above mortgages are collateralized by all rental property of Downtown Renaissance Partnership II, LP.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5. LONG-TERM DEBT (CONTINUED)

Discretely Presented Component Units (Continued)

Cottage Hill Place, LLC

On May 3, 2019, Cottage Hill Place, LLC elected to exercise the option to convert the construction loan to a permanent loan in the amount of \$3,310,923. The loan bears interest at a fixed rate of 6% and matures on May 3, 2037. Debt issuance costs on the above mortgages are being amortized using an imputed rate that is 0.82% higher than the stated rate. As of December 31, 2020, outstanding principal and accrued interest was \$3,246,125 and \$16,385 respectively. Interest incurred for the years ended December 31, 2020, was \$201,734, including \$5,504 of amortization of debt issuance costs. Debt issuance costs, net of accumulated amortization, totaled \$98,203 as of December 31, 2020, resulting in a net outstanding balance of \$3,147,922.

The Authority has committed to lend \$500,000 to Cottage Hill Place, LLC under a mortgage note dated May 3, 2017. The loan bears interest at a rate of 4.00% and matures on May 3, 2057. Interest shall accrue annually on the outstanding principal balance and any unpaid interest. Interest and principal shall be due and payable in accordance with the priority distribution of cash flow. Such payments shall first be applied to accrued interest, then to principal, and shall be payable annually for the prior annual fiscal period. Interest incurred for the year ended December 31, 2020 was \$19,532. As of December 31, 2020, outstanding principal and accrued interest was \$454,332 and \$19,532, respectively. As of December 31, 2020, payments of \$19,532 of accrued interest and \$6,373 of principal are due from available cash flow.

Aggregate annual maturities of the mortgages payable over each of the next five years and thereafter are as follows:

<u>Year ending</u>	<u>First mortgage</u>	<u>Second mortgage</u>	<u>Total</u>
<u>December 31:</u>			
2021	\$ 29,556	\$ 6,373	\$ 35,929
2022	31,405	-	31,405
2023	33,369	-	33,369
2024	34,904	-	34,904
2025	37,641	-	37,641
Thereafter	<u>3,079,250</u>	<u>447,959</u>	<u>3,527,209</u>
	<u>\$ 3,246,125</u>	<u>\$ 454,332</u>	<u>\$ 3,700,457</u>

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6. LONG-TERM LIABILITIES

	Balance - 1/01/2020	Additions	Payments	Balance - 12/31/2020	Due in Less than One Year
CFFP mortgage debt payable	\$ 3,081,248	\$ -	\$ (18,767)	\$ 3,062,481	\$ 18,768
Loan liability	427,745	-	-	427,745	-
Accrued compensated absences	259,697	-	(12,935)	246,762	12,983
FSS escrows	253,295	-	(45,373)	207,922	-
Net pension liability	<u>5,237,255</u>	<u>6,095,332</u>	<u>-</u>	<u>11,332,587</u>	<u>-</u>
Long-term liabilities	<u>\$ 9,259,240</u>	<u>\$ 6,095,332</u>	<u>\$ (77,075)</u>	<u>\$ 15,277,497</u>	<u>\$ 31,751</u>

NOTE 7. PENSION PLAN

Description of Plan

The Authority contributes to the Plan, a single employer defined benefit pension plan. Each employee of the Authority becomes a participant on the first of the month coincident with or next following the date of hire. The board contributes 7% of each participant's monthly compensation and employees contribute 5% before tax. The Plan became effective September 1, 1958, was restated effective January 1, 1997, and most recently amended in May 2020. Effective December 31, 2010, the Plan was frozen and no new participants are allowed to enter the Plan and no additional credited service is earned. The Plan is administered by One America. A copy of the Mobile Housing Board Employees' Retirement Plan Actuarial Valuation for the year ended December 31, 2020, may be obtained by writing to the Authority at 151 South Claiborne Street, Mobile, Alabama 36602.

Plan Membership

As of January 1, 2020, the date of the latest actuarial valuation, pension plan membership consisted of the following:

<u>Membership Status</u>	<u>Count</u>
Active	57
Retired	10
Terminated vested	17
Lump sums or refunds in process	<u>3</u>
Total	<u><u>87</u></u>

Contributions

Contributions are based upon a minimum retirement plan payment for the year beginning January 1, 2020. The minimum payment is the greater of (a) 12.0% (7.0% employer plus 5.0% employee pick-up) of expected payroll for calendar year 2020 or (b) an amount that consists of payment of annual normal costs plus amortization of the components of the unfunded actuarial accrued liability over various periods (13.0%). The projected minimum contribution for calendar year 2020 is 12.0%. The Authority may increase or decrease the scheduled amount of contributions based upon actuarial valuations. The Authority contributed \$385,416 as of the measurement date. Since the Plan is frozen, the actuarial liability determined for funding purposes is assumed to be the present value of future benefits.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7. PENSION PLAN (CONTINUED)

Benefits

Normal Retirement

Benefits are the sum of (i) through (iv) but not less than (v) below:

- (i) For benefit service prior to January 1, 1981: 1.8% of the first \$6,600 of 1980 compensation plus 2.3% of 1980 compensation in excess of \$6,600, multiplied by benefit service accrued prior to January 1, 1981.
- (ii) For benefit service from January 1, 1981 through December 31, 1986: 3.5% of compensation for each year multiplied by benefit service for each year.
- (iii) For benefit service from January 1, 1987 through December 31, 1992: 3.5% of 1992 compensation for the year multiplied by benefit service during the period.
- (iv) For benefit service from January 1, 1993 through December 31, 2018 (no benefit service credit after December 31, 2018): 3.5% of compensation for each year multiplied by benefit service for each year.
- (v) Minimum benefit: monthly amount attributable to the accumulation of employer contribution (5%) treated for all purposes as employee contributions, such accumulation credited with 5% annual interest prior to January 1, 1981, and credited with 6% annual interest commencing January 1, 1981.

Note that the accrued normal retirement benefit will be reduced by the actuarial value of any withdrawn employee contributions determined based on the equivalent annuity to the projected balance at normal retirement assuming 6% annual interest.

Termination Benefits

Accrued benefit as of date of termination of employment based upon compensation and credited service as of date of termination of employment, multiplied by the appropriate vesting percentage from the table below. Vested benefit commences as of normal retirement date. If participant has completed 10 years of credited service as of date of termination of employment, commencement at any time following attainment of age 55 reduced by 0.5% per month for each month that the vested terminated benefit commencement date precedes normal retirement date.

<u>Years of Credited Services</u>	<u>Vested Percentage</u>
Less than 1	0 %
1 but less than 2	20 %
2 but less than 3	40 %
3 but less than 4	60 %
4 but less than 5	80 %
5 or more	100 %

Employee contributions with 3% annual interest through December 31, 2018, are fully vested.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7. PENSION PLAN (CONTINUED)

Actuarial Assumptions

Actuarial assumptions involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. GASB 68 requires that actuarial valuations be completed at least once every two years.

The total pension liability for the Plan was determined based upon the trued up actuarial measurement date of December 31, 2020. The actual total pension liability was gathered from the most recent actuarial valuation, which is dated January 1, 2020.

In May 2020, the Board voted to suspend the large lump sum payment option. As a result, the actuary revised the assumed payment from election assumption from 90% lump sums and 10% to 100% annuities.

The Plan's total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	January 1, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level-dollar amortization
Amortization period	30-year fresh start effective January 1, 2019
Asset valuation method	Market value
Salary increase	0.00%
Investment rate of return	5.0%

The long-term expected rate of return on pension plan investments is based upon a rate of 5.0%, compounded annually, net of investment expenses and estimated expenses updated to actual administrative expenses paid in the previous year.

Discount Rate

The discount rate used to measure the total pension liability was 5.0%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current member contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member contribution rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future expected benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7. PENSION PLAN (CONTINUED)

Changes in the net pension liability as of the measurement date are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance - January 1, 2019	\$ <u>18,819,622</u>	\$ <u>13,582,367</u>	\$ <u>5,237,255</u>
Service cost	199,046	-	199,046
Interest	469,311	-	469,311
Differences between expected and actual experience	3,129,534	-	3,129,534
Changes of assumptions	2,784,647	-	2,784,647
Benefit payments, including refunds of member contributions	(13,209,203)	(13,209,203)	-
Contributions	-	418,426	(418,426)
Net investment income	-	101,233	(101,233)
Administrative expenses	<u>-</u>	<u>(32,453)</u>	<u>32,453</u>
Net changes	<u>(6,626,665)</u>	<u>(12,721,997)</u>	<u>6,095,332</u>
Balance - January 1, 2020	\$ <u><u>12,192,957</u></u>	\$ <u><u>860,370</u></u>	\$ <u><u>11,332,587</u></u>

Sensitivity Analysis

The following represents the Authority's net pension liability using the discount rate of 5.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.0%) or 1-percentage point higher (6.0%) than the current rate:

	1% Decrease 4.0%	Current Rate 5.0%	1% Increase 6.0%
Net pension liability	\$ <u><u>13,122,903</u></u>	\$ <u><u>11,332,587</u></u>	\$ <u><u>9,844,866</u></u>

Pension Expense

At January 1, 2020, the Authority recognized a pension expense of \$2,993,594 for its share of the contributions to the Plan.

Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 2,793,347	\$ 247,765
Net differences between projected and actual earnings on investments	458,083	-
Change of assumptions	<u>2,647,710</u>	<u>-</u>
Total	\$ <u><u>5,899,140</u></u>	\$ <u><u>247,765</u></u>

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7. PENSION PLAN (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Reporting Year Ending December 31:</u>	<u>Amount</u>
2021	\$ 2,133,718
2022	1,651,657
2023	1,442,321
2024	<u>423,679</u>
Total	<u>\$ 5,651,375</u>

NOTE 8. RETIREMENT PLAN

The Authority maintains a single employer defined contribution plan under Section 401(a) of the Internal Revenue Code. As a condition of employment, all full-time permanent employees are required to participate in this plan. With the consent of the Authority's Retirement Committee, employees with a minimum of 10 years' service may elect to retire early on the first day of any month during the five-year period immediately preceding their Normal Retirement Date. The employer contributes toward the cost of the plan. The American United Life Insurance Company, a One America Company, is the investment fiduciary for the plan. The Authority contributes 6% of the participant earnings into the plan. The Authority contributed \$227,865 into the plan for the year ended December 31, 2020.

NOTE 9. ECONOMIC DEPENDENCY

The Authority is economically dependent upon annual contributions and grants from HUD. Pursuant to the Annual Contributions Contracts, the Authority incurred expenditures totaling \$44,758,995 under HUD grants for the year ended December 31, 2020. Total funds provided by HUD represented 91% of the Authority's total revenues.

NOTE 10. COMMITMENTS AND CONTINGENCIES

The Authority is exposed to various risks of losses related to torts; theft; or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claim liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the Authority in the current and prior periods. These examinations may result in required refunds by the Authority to federal grantors and/or program beneficiaries.

**MOBILE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11. UNCERTAINTY REGARDING IMPACTS OF RECENT DISRUPTIONS IN U.S. BANKING SYSTEM

In March 2023, the shut-down of certain financial institutions raised economic concerns over disruption in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system. However, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. As disclosed in Note 2, total deposits are required to either be covered by federal depository insurance or collateralized with securities held by a third-party custodian in the Authority's name, and the Authority has certain concentrations in credit risk that expose the Authority to risk of loss if the counterparty is unable to perform as a result of future disruptions in the U.S. banking system or economy. Given the uncertainty of the situation, the related financial impact cannot be reasonably estimated at this time.

NOTE 12. SUBSEQUENT EVENTS

In preparing these financial statements, management evaluated subsequent events through March 31, 2023, the date the financial statements were available to be issued and concluded that, except as disclosed in Note 11, no material subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MOBILE HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Years*

	<u>Measurement Date ended December 31,</u>					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Total pension liability</u>						
Service cost	\$ 199,046	\$ 456,629	\$ 484,025	\$ 458,509	\$ 577,170	\$ 657,124
Interest	469,311	1,302,882	1,488,559	1,578,926	1,425,483	1,445,280
Changes of benefit terms	-	(2,286,137)	-	-	-	-
Differences between expected and actual experience	3,129,534	(25,013)	44,719	2,093,875	(109,255)	(1,091,319)
Changes of assumptions	2,784,647	-	1,439,336	390,959	-	16,179
Benefit payments, including refunds of employee contributions	<u>(13,209,203)</u>	<u>(4,315,273)</u>	<u>(3,918,195)</u>	<u>(1,644,664)</u>	<u>(2,546,536)</u>	<u>(1,866,419)</u>
Net change in total pension liability	(6,626,665)	(4,866,912)	(461,556)	2,877,605	(653,138)	(839,155)
Total pension liability - beginning	<u>18,819,622</u>	<u>23,686,534</u>	<u>24,148,090</u>	<u>21,270,485</u>	<u>21,923,623</u>	<u>22,762,778</u>
Total pension liability - ending	<u>\$ 12,192,957</u>	<u>\$ 18,819,622</u>	<u>\$ 23,686,534</u>	<u>\$ 24,148,090</u>	<u>\$ 21,270,485</u>	<u>\$ 21,923,623</u>
<u>Plan fiduciary net position</u>						
Contributions - employer	\$ 385,416	\$ 397,877	\$ 772,879	\$ 488,950	\$ 547,245	618,451
Contributions-member	33,010	-	-	-	-	-
Net investment income	101,233	600,299	698,531	868,429	456,276	851,546
Benefit payments, including refunds of employee contributions	(13,209,203)	(4,315,273)	(3,918,195)	(1,644,664)	(2,546,536)	(1,866,419)
Administrative expense	<u>(32,453)</u>	<u>(32,453)</u>	<u>(28,891)</u>	<u>(27,367)</u>	<u>(29,745)</u>	<u>(28,193)</u>
Net change in plan fiduciary net position	(12,721,997)	(3,349,550)	(2,475,676)	(314,652)	(1,572,760)	(424,615)
Plan fiduciary net position - beginning	<u>13,582,367</u>	<u>16,931,917</u>	<u>19,407,593</u>	<u>19,722,245</u>	<u>21,295,005</u>	<u>21,719,620</u>
Plan fiduciary net position - ending	<u>\$ 860,370</u>	<u>\$ 13,582,367</u>	<u>\$ 16,931,917</u>	<u>\$ 19,407,593</u>	<u>\$ 19,722,245</u>	<u>\$ 21,295,005</u>
Authority's net pension liability	<u>\$ 11,332,587</u>	<u>\$ 5,237,255</u>	<u>\$ 6,754,617</u>	<u>\$ 4,740,497</u>	<u>\$ 1,548,240</u>	<u>\$ 628,618</u>
Plan's fiduciary net position as a percentage of the total pension liability	7.06 %	72.17 %	71.48 %	80.37 %	92.72 %	97.13 %
Covered employee payroll	N/A	<u>\$ 3,581,784</u>	<u>\$ 3,813,117</u>	<u>\$ 4,419,834</u>	<u>\$ 4,209,580</u>	<u>\$ 5,035,163</u>
Authority's net pension liability as a percentage of covered payroll	N/A	146.22 %	177.14 %	107.26 %	36.78 %	12.48 %

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

See accompanying notes to required supplementary information.

**MOBILE HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS
Last 10 Years***

	<u>Measurement Date ended December 31,</u>					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 541,137	\$ 889,307	\$ 874,975	\$ 722,353	\$ 605,927	\$ -
Contributions in relation to the actuarially determined contribution	<u>(385,416)</u>	<u>(397,877)</u>	<u>(772,879)</u>	<u>(488,950)</u>	<u>(547,245)</u>	<u>(618,451)</u>
Contribution deficiency (excess)	<u>\$ 155,721</u>	<u>\$ 491,430</u>	<u>\$ 102,096</u>	<u>\$ 233,403</u>	<u>\$ 58,682</u>	<u>\$ (618,451)</u>
Authority's covered-employee payroll	N/A	\$ 3,581,784	\$ 3,813,117	\$ 4,419,834	\$ 4,209,580	\$ 5,035,163
Contributions as a percentage of covered-employee payroll	N/A	11.11 %	20.27 %	11.06 %	13.00 %	12.28 %

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

**MOBILE HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

Methods and assumptions used to determine contribution rates:

Valuation date	January 1, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level-dollar amortization
Amortization period	30-year fresh start effective January 1, 2019
Asset valuation method	Market value
Salary increase	0.00%
Investment rate of return	5.0%

Changes of benefit terms:

Plan was frozen effective December 31, 2018. No new participants; benefit accruals or 3% credits to the employee contribution account are provided after that date. Furthermore, as a result, covered employee payroll is not applicable beginning January 1, 2019.

Changes in assumptions:

- During 2017, expected salary increases decreased from a range of 4.0% to 3.0%. During 2019, expected salary increases decreased from 3.0% to 0.0%.
- During 2018, investment rate of return decreased from 6.75% to 6.162%. During 2020, the investment rate of return decreased from 6.162% to 5.00%.
- During 2018, the discount rate decreased from 6.75% to 6.162%. During 2020, the discount rate decreased from 6.162% to 5.00%.

OTHER SUPPLEMENTARY INFORMATION

**Mobile Housing Authority
Financial Data Schedule
Entity-Wide Balance Sheet
December 31, 2020**

		Public Housing 14.850/14.872	Supportive Housing for Persons with Disability	Public Housing CARES	MSC Mainstream CARES Act	COCC Cares	HCC HCV Cares	Child and Adult Care Fund	PIH Family Self- Sufficiency Program
111	Cash - Unrestricted	\$ 4,737,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112	Cash - Restricted - Modernization and Development	1,192,057	-	-	-	-	-	-	-
113	Cash - Other Restricted	900,116	-	-	24,628	-	927,865	-	-
114	Cash - Tenant Security Deposits	325,102	-	-	-	-	-	-	-
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-
100	Total Cash	7,154,853	-	-	24,628	-	927,865	-	-
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	657,342	-	57,924	-	-	-	-	44,498
124	Accounts Receivable - Other Government	-	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	-
126	Accounts Receivable - Tenants	571,957	-	-	-	-	-	-	-
126.1	Allowance for Doubtful Accounts -Tenants	(67,293)	-	-	-	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	1,162,006	-	57,924	-	-	-	-	44,498
131	Investments - Unrestricted	1,123,692	-	-	-	-	-	-	-
132	Investments - Restricted	-	-	-	-	-	-	-	-
135	Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	537,504	-	-	-	-	-	-	-
143	Inventories	-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-
144	Inter Program Due From	57,924	-	-	-	-	-	-	-
145	Assets Held for Sale	-	-	-	-	-	-	-	-
150	Total Current Assets	10,035,979	-	57,924	24,628	-	927,865	-	44,498
161	Land	7,964,606	-	-	-	-	-	-	-
162	Buildings	208,458,122	-	-	-	-	-	-	-
163	Furniture, Equipment & Machinery - Dwellings	167,473	-	-	-	-	-	-	-
164	Furniture, Equipment & Machinery - Administration	1,233,653	-	-	-	-	-	-	-
165	Leasehold Improvements	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	(167,907,276)	-	-	-	-	-	-	-
167	Construction in Progress	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	49,916,578	-	-	-	-	-	-	-
171	Notes, Loans and Mortgages Receivable - Non-Current	1,282,325	-	-	-	-	-	-	-
172	Notes, Loans, & Mortgages Receivable - Non-Current - Past Due	-	-	-	-	-	-	-	-
173	Grants Receivable - Non Current	-	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-
176	Investments in Joint Ventures	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	51,198,903	-	-	-	-	-	-	-
200	Deferred Outflow of Resources	3,392,179	-	-	-	-	-	-	-
290	Total Assets and Deferred Outflow of Resources	\$ 64,627,061	\$ -	\$ 57,924	\$ 24,628	\$ -	\$ 927,865	\$ -	\$ 44,498

See independent auditor's report.

**Mobile Housing Authority
Financial Data Schedule
Entity-Wide Balance Sheet
December 31, 2020**

		Public Housing 14.850/14.872	Supportive Housing for Persons with Disability	Public Housing CARES	MSC Mainstream CARES Act	COCC Cares	HCC HCV Cares	Child and Adult Care Fund	PIH Family Self- Sufficiency Program
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts Payable <= 90 Days	305,592	-	-	-	-	-	-	-
313	Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	29,280	-	-	-	-	-	-	-
322	Accrued Compensated Absences - Current Portion	5,215	-	-	-	-	-	-	-
324	Accrued Contingency Liability	-	-	-	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-
332	Account Payable - PHA Projects	5,012	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	62,979	-	-	-	-	-	-	15,200
341	Tenant Security Deposits	325,102	-	-	-	-	-	-	-
342	Unearned Revenue	131,385	-	-	24,628	-	927,865	4,077	-
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	18,768	-	-	-	-	-	-	-
344	Current Portion of Long-Term Debt - Operating Borrowings	-	-	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-
347	Inter Program - Due To	1,960,660	-	57,924	-	-	-	6,288	29,298
348	Loan Liability - Current	-	-	-	-	-	-	-	-
310	Total Current Liabilities	2,843,993	-	57,924	24,628	-	927,865	10,365	44,498
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	3,062,481	-	-	-	-	-	-	-
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-
353	Non-Current Liabilities - Other	72,130	-	-	-	-	-	-	-
354	Accrued Compensated Absences - Non-Current	99,084	-	-	-	-	-	-	-
355	Loan Liability - Non-Current	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	6,431,469	-	-	-	-	-	-	-
350	Total Non-Current Liabilities	9,665,164	-	-	-	-	-	-	-
300	Total Liabilities	12,509,157	-	57,924	24,628	-	927,865	10,365	44,498
400	Deferred Inflow of Resources	168,345	-	-	-	-	-	-	-
508	Net Investment in Capital Assets	46,835,329	-	-	-	-	-	-	-
511	Restricted Net Position	2,020,043	-	-	-	-	-	-	-
512	Unrestricted Net Position	3,094,187	-	-	-	-	-	(10,365)	-
513	Total Equity - Net Assets / Position	51,949,559	-	-	-	-	-	(10,365)	-
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 64,627,061	\$ -	\$ 57,924	\$ 24,628	\$ -	\$ 927,865	\$ -	\$ 44,498

See independent auditor's report.

**Mobile Housing Authority
Financial Data Schedule
Entity-Wide Balance Sheet
December 31, 2020**

		Resident Opportunity and Support Services	Housing Choice Vouchers 14,871	Mainstream Voucher
111	Cash - Unrestricted	\$ -	\$ -	\$ -
112	Cash - Restricted - Modernization and Development	-	-	-
113	Cash - Other Restricted	-	135,792	245,463
114	Cash - Tenant Security Deposits	-	-	-
115	Cash - Restricted for Payment of Current Liabilities	-	-	-
100	Total Cash	-	135,792	245,463
121	Accounts Receivable - PHA Projects	-	-	-
122	Accounts Receivable - HUD Other Projects	-	1,695,518	-
124	Accounts Receivable - Other Government	-	-	-
125	Accounts Receivable - Miscellaneous	-	112,277	8,009
126	Accounts Receivable - Tenants	-	77,309	514
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-
128	Fraud Recovery	-	99,336	-
128.1	Allowance for Doubtful Accounts - Fraud	-	(99,336)	-
129	Accrued Interest Receivable	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	1,885,104	8,523
131	Investments - Unrestricted	-	-	-
132	Investments - Restricted	-	-	-
135	Investments - Restricted for Payment of Current Liability	-	-	-
142	Prepaid Expenses and Other Assets	-	5,412	22
143	Inventories	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-
144	Inter Program Due From	-	62,176	-
145	Assets Held for Sale	-	-	-
150	Total Current Assets	-	2,088,484	254,008
161	Land	-	-	-
162	Buildings	-	-	-
163	Furniture, Equipment & Machinery - Dwellings	-	-	-
164	Furniture, Equipment & Machinery - Administration	-	54,748	-
165	Leasehold Improvements	-	-	-
166	Accumulated Depreciation	-	(54,748)	-
167	Construction in Progress	-	-	-
168	Infrastructure	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	-	-	-
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	-
172	Notes, Loans, & Mortgages Receivable - Non-Current - Past Due	-	-	-
173	Grants Receivable - Non Current	-	-	-
174	Other Assets	-	-	-
176	Investments in Joint Ventures	-	-	-
180	Total Non-Current Assets	-	-	-
200	Deferred Outflow of Resources	-	748,206	4,945
290	Total Assets and Deferred Outflow of Resources	\$ -	\$ 2,836,690	\$ 258,953

See independent auditor's report.

**Mobile Housing Authority
Financial Data Schedule
Entity-Wide Balance Sheet
December 31, 2020**

		Resident Opportunity and Support Services	Housing Choice Vouchers 14,871	Mainstream Voucher
311	Bank Overdraft	\$ -	\$ -	\$ -
312	Accounts Payable <= 90 Days	-	-	-
313	Accounts Payable >90 Days Past Due	-	-	-
321	Accrued Wage/Payroll Taxes Payable	-	11,879	-
322	Accrued Compensated Absences - Current Portion	-	1,101	1
324	Accrued Contingency Liability	-	-	-
325	Accrued Interest Payable	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-
332	Account Payable - PHA Projects	-	-	-
333	Accounts Payable - Other Government	-	-	-
341	Tenant Security Deposits	-	-	-
342	Unearned Revenue	-	-	-
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	-	-
344	Current Portion of Long-Term Debt - Operating Borrowings	-	-	-
345	Other Current Liabilities	-	-	-
346	Accrued Liabilities - Other	-	-	-
347	Inter Program - Due To	-	1,000,384	62,176
348	Loan Liability - Current	-	-	-
310	Total Current Liabilities	-	1,013,364	62,177
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	-
353	Non-Current Liabilities - Other	-	135,792	-
354	Accrued Compensated Absences - Non-Current	-	20,922	108
355	Loan Liability - Non-Current	-	-	-
356	FASB 5 Liabilities	-	-	-
357	Accrued Pension and OPEB Liabilities	-	1,468,076	4,914
350	Total Non-Current Liabilities	-	1,624,790	5,022
300	Total Liabilities	-	2,638,154	67,199
400	Deferred Inflow of Resources	-	3,626	37
508	Net Investment in Capital Assets	-	-	-
511	Restricted Net Position	-	-	245,463
512	Unrestricted Net Position	-	194,910	(53,746)
513	Total Equity - Net Assets / Position	-	194,910	191,717
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ -	\$ 2,836,690	\$ 258,953

See independent auditor's report.

**Mobile Housing Authority
Financial Data Schedule
Entity-Wide Balance Sheet
December 31, 2020**

	Component Unit Blended	Disaster Housing Assistance Grant	Business Activities	COCC	Subtotal	
111	Cash - Unrestricted	\$ 99,376	\$ -	\$ 149,605	\$ -	\$ 4,986,559
112	Cash - Restricted - Modernization and Development	-	-	-	-	1,192,057
113	Cash - Other Restricted	-	63,637	-	-	2,297,501
114	Cash - Tenant Security Deposits	-	-	2,100	-	327,202
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
100	Total Cash	99,376	63,637	151,705	-	8,803,319
121	Accounts Receivable - PHA Projects	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	2,455,282
124	Accounts Receivable - Other Government	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	-	-	-	-	120,286
126	Accounts Receivable - Tenants	-	-	1,821	-	651,601
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	(67,293)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	99,336
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	(99,336)
129	Accrued Interest Receivable	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	-	1,821	-	3,159,876
131	Investments - Unrestricted	-	-	-	-	1,123,692
132	Investments - Restricted	-	-	-	-	-
135	Investments - Restricted for Payment of Current Liability	-	-	-	-	-
142	Prepaid Expenses and Other Assets	-	-	2,981	-	545,919
143	Inventories	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-
144	Inter Program Due From	-	-	151,520	2,846,273	3,117,893
145	Assets Held for Sale	-	-	-	-	-
150	Total Current Assets	99,376	63,637	308,027	2,846,273	16,750,699
161	Land	-	-	1,156,781	22,500	9,143,887
162	Buildings	-	-	4,793,635	996,052	214,247,809
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	167,473
164	Furniture, Equipment & Machinery - Administration	-	-	9,500	530,170	1,828,071
165	Leasehold Improvements	-	-	-	-	-
166	Accumulated Depreciation	-	-	(2,498,194)	(1,451,661)	(171,911,879)
167	Construction in Progress	-	-	-	-	-
168	Infrastructure	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	-	-	3,461,722	97,061	53,475,361
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	11,079,500	142,160	12,503,985
172	Notes, Loans, & Mortgages Receivable - Non-Current - Past Due	8,049	-	-	-	8,049
173	Grants Receivable - Non Current	-	-	-	-	-
174	Other Assets	-	-	-	-	-
176	Investments in Joint Ventures	-	-	-	-	-
180	Total Non-Current Assets	8,049	-	14,541,222	239,221	65,987,395
200	Deferred Outflow of Resources	-	-	49,099	1,704,711	5,899,140
290	Total Assets and Deferred Outflow of Resources	\$ 107,425	\$ 63,637	\$ 14,898,348	\$ 4,790,205	\$ 88,637,234

See independent auditor's report.

**Mobile Housing Authority
Financial Data Schedule
Entity-Wide Balance Sheet
December 31, 2020**

		Component Unit Blended	Disaster Housing Assistance Grant	Business Activities	COCC	Subtotal
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts Payable <= 90 Days	11,644	-	-	27,773	345,009
313	Accounts Payable >90 Days Past Due	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	-	-	77	-	41,236
322	Accrued Compensated Absences - Current Portion	-	-	16	6,650	12,983
324	Accrued Contingency Liability	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-
332	Account Payable - PHA Projects	-	-	-	-	5,012
333	Accounts Payable - Other Government	-	-	-	-	78,179
341	Tenant Security Deposits	-	-	2,100	-	327,202
342	Unearned Revenue	-	-	3,916	-	1,091,871
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	18,768
344	Current Portion of Long-Term Debt - Operating Borrowings	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-
347	Inter Program - Due To	-	-	1,163	-	3,117,893
348	Loan Liability - Current	-	-	-	-	-
310	Total Current Liabilities	11,644	-	7,272	34,423	5,038,153
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	3,062,481
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	-	-	-
353	Non-Current Liabilities - Other	-	-	-	-	207,922
354	Accrued Compensated Absences - Non-Current	-	-	296	126,352	246,762
355	Loan Liability - Non-Current	-	-	427,745	-	427,745
356	FASB 5 Liabilities	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	-	-	88,606	3,339,522	11,332,587
350	Total Non-Current Liabilities	-	-	516,647	3,465,874	15,277,497
300	Total Liabilities	11,644	-	523,919	3,500,297	20,315,650
400	Deferred Inflow of Resources	-	-	3,804	71,953	247,765
508	Net Investment in Capital Assets	-	-	3,461,722	97,061	50,394,112
511	Restricted Net Position	-	63,637	-	-	2,329,143
512	Unrestricted Net Position	95,781	-	10,908,903	1,120,894	15,350,564
513	Total Equity - Net Assets / Position	95,781	63,637	14,370,625	1,217,955	68,073,819
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 107,425	\$ 63,637	\$ 14,898,348	\$ 4,790,205	\$ 88,637,234

See independent auditor's report.

**Mobile Housing Authority
Financial Data Schedule
Entity-Wide Balance Sheet
December 31, 2020**

		ELIM	Total	Downtown Renaissance Partnership II, LP	Downtown Renaissance Partnership I, LP	Cottage Hill Place, LLC	Total
111	Cash - Unrestricted	\$ -	\$ 4,986,559	\$ 706,295	\$ 727,237	\$ 96,603	\$ 1,530,135
112	Cash - Restricted - Modernization and Development	-	1,192,057	-	-	-	-
113	Cash - Other Restricted	-	2,297,501	1,505,243	284,846	327,580	2,117,669
114	Cash - Tenant Security Deposits	-	327,202	42,539	17,000	19,172	78,711
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	66,666	66,666
100	Total Cash	-	8,803,319	2,254,077	1,029,083	510,021	3,793,181
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	2,455,282	-	-	-	-
124	Accounts Receivable - Other Government	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	-	120,286	-	-	-	-
126	Accounts Receivable - Tenants	-	651,601	25,556	18,987	6,673	51,216
126.1	Allowance for Doubtful Accounts - Tenants	-	(67,293)	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-
128	Fraud Recovery	-	99,336	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	(99,336)	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	3,159,876	25,556	18,987	6,673	51,216
131	Investments - Unrestricted	-	1,123,692	-	-	-	-
132	Investments - Restricted	-	-	-	-	-	-
135	Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	-	545,919	25,989	26,005	31,573	83,567
143	Inventories	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-
144	Inter Program Due From	(3,117,893)	-	-	-	-	-
145	Assets Held for Sale	-	-	-	-	-	-
150	Total Current Assets	(3,117,893)	13,632,806	2,305,622	1,074,075	548,267	3,927,964
161	Land	-	9,143,887	-	-	-	-
162	Buildings	-	214,247,809	12,790,446	14,729,318	11,560,803	39,080,567
163	Furniture, Equipment & Machinery - Dwellings	-	167,473	595,853	386,423	479,728	1,462,004
164	Furniture, Equipment & Machinery - Administration	-	1,828,071	-	-	-	-
165	Leasehold Improvements	-	-	-	-	-	-
166	Accumulated Depreciation	-	(171,911,879)	(4,512,021)	(5,317,570)	(1,123,068)	(10,952,659)
167	Construction in Progress	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	-	53,475,361	8,874,278	9,798,171	10,917,463	29,589,912
171	Notes, Loans and Mortgages Receivable - Non-Current	-	12,503,985	-	-	-	-
172	Notes, Loans, & Mortgages Receivable - Non-Current - Past Due	-	8,049	-	-	-	-
173	Grants Receivable - Non Current	-	-	-	-	-	-
174	Other Assets	-	-	122,711	52,735	1,024,177	1,199,623
176	Investments in Joint Ventures	-	-	-	-	-	-
180	Total Non-Current Assets	-	65,987,395	8,996,989	9,850,906	11,941,640	30,789,535
200	Deferred Outflow of Resources	-	5,899,140	-	-	-	-
290	Total Assets and Deferred Outflow of Resources	\$ (3,117,893)	\$ 85,519,341	\$ 11,302,611	\$ 10,924,981	\$ 12,489,907	\$ 34,717,499

See independent auditor's report.

**Mobile Housing Authority
Financial Data Schedule
Entity-Wide Balance Sheet
December 31, 2020**

		ELIM	Total	Downtown Renaissance Partnership II, LP	Downtown Renaissance Partnership I, LP	Cottage Hill Place, LLC	Total
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts Payable <= 90 Days	-	345,009	205,029	356,834	4,640	566,503
313	Accounts Payable >90 Days Past Due	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	-	41,236	-	-	-	-
322	Accrued Compensated Absences - Current Portion	-	12,983	-	-	-	-
324	Accrued Contingency Liability	-	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	1,535,491	35,917	1,571,408
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-
332	Account Payable - PHA Projects	-	5,012	-	-	-	-
333	Accounts Payable - Other Government	-	78,179	-	-	-	-
341	Tenant Security Deposits	-	327,202	41,340	16,805	17,460	75,605
342	Unearned Revenue	-	1,091,871	2,571	5,294	26,357	34,222
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue	-	18,768	-	-	35,929	35,929
344	Current Portion of Long-Term Debt - Operating Borrowings	-	-	-	-	-	-
345	Other Current Liabilities	-	-	22,026	22,569	-	44,595
346	Accrued Liabilities - Other	-	-	12,257	11,357	19,271	42,885
347	Inter Program - Due To	(3,117,893)	-	-	-	-	-
348	Loan Liability - Current	-	-	-	-	-	-
310	Total Current Liabilities	(3,117,893)	1,920,260	283,223	1,948,350	139,574	2,371,147
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	3,062,481	7,228,673	2,877,578	3,566,325	13,672,576
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-
353	Non-Current Liabilities - Other	-	207,922	-	-	-	-
354	Accrued Compensated Absences - Non-Current	-	246,762	-	-	-	-
355	Loan Liability - Non-Current	-	427,745	1,176,444	-	-	1,176,444
356	FASB 5 Liabilities	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	-	11,332,587	-	-	-	-
350	Total Non-Current Liabilities	-	15,277,497	8,405,117	2,877,578	3,566,325	14,849,020
300	Total Liabilities	(3,117,893)	17,197,757	8,688,340	4,825,928	3,705,899	17,220,167
400	Deferred Inflow of Resources	-	247,765	-	-	-	-
508	Net Investment in Capital Assets	-	50,394,112	1,645,605	6,920,593	7,315,209	15,881,407
511	Restricted Net Position	-	2,329,143	1,506,442	285,041	395,958	2,187,441
512	Unrestricted Net Position	-	15,350,564	(537,776)	(1,106,581)	1,072,841	(571,516)
513	Total Equity - Net Assets / Position	-	68,073,819	2,614,271	6,099,053	8,784,008	17,497,332
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ (3,117,893)	\$ 85,519,341	\$ 11,302,611	\$ 10,924,981	\$ 12,489,907	\$ 34,717,499

See independent auditor's report.

Mobile Housing Authority
Financial Data Schedule
Entity-Wide Revenue and Expense Summary
For the Year Ended December 31, 2020

	Public Housing 14.850/14.872	Supportive Housing for Persons with Disability	Public Housing CARES	MSC Mainstream CARES Act	COCC CARES	HCC HCV CARES
70300	Net Tenant Rental Revenue	\$ 3,327,099	\$ -	\$ -	\$ -	\$ -
70400	Tenant Revenue - Other	157,384	-	-	-	-
70500	Total Tenant Revenue	3,484,483	-	-	-	-
70600	HUD PHA Operating Grants	9,938,286	-	249,282	3,493	155,827
70610	Capital Grants	2,715,354	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Bookkeeping Fee	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	12,653,640	-	249,282	3,493	155,827
70800	Other Government Grants	-	-	-	-	-
71100	Investment Income - Unrestricted	14,499	-	-	-	-
71200	Mortgage Interest Income	-	-	-	-	-
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	301	-	-	-	-
71500	Other Revenue	132,606	-	-	36,405	-
71600	Gain or Loss on Sale of Capital Assets	30,779	-	-	-	-
72000	Investment Income - Restricted	-	-	-	-	-
70000	Total Revenue	16,316,308	-	249,282	36,405	155,827
91100	Administrative Salaries	441,302	-	32,282	5	6,739
91200	Auditing Fees	1,287	-	-	-	-
91300	Management Fee	1,708,395	-	-	-	36,405
91310	Bookkeeping Fee	128,426	-	-	-	-
91400	Advertising and Marketing	1,373	-	-	-	-
91500	Employee Benefit Contributions - Administrative	1,650,901	-	-	-	-
91600	Office Expenses	393,637	-	-	-	-
91700	Legal Expense	20,437	-	-	-	-
91800	Travel	109	-	-	-	-
91810	Allocated Overhead	-	-	-	-	-
91900	Other	28,375	-	-	-	-
91000	Total Operating - Administrative	4,374,242	-	32,282	5	43,144
92000	Asset Management Fee	302,520	-	-	-	-
92100	Tenant Services - Salaries	170,513	-	-	-	-
92200	Relocation Costs	89,070	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	37,803	-	-	-	-
92400	Tenant Services - Other	60,600	-	-	-	-
92500	Total Tenant Services	357,986	-	-	-	-
93100	Water	317,878	-	-	-	-
93200	Electricity	709,540	-	-	-	-
93300	Gas	703,613	-	-	-	-
93400	Fuel	-	-	-	-	-
93500	Labor	-	-	-	-	-
93600	Sewer	646,155	-	-	-	-
93700	Employee Benefit Contributions - Utilities	-	-	-	-	-
93800	Other Utilities Expense	33,000	-	-	-	-
93000	Total Utilities	2,410,186	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	1,066,901	-	-	-	-
94200	Ordinary Maintenance and Operations - Materials and Other	727,154	-	-	-	-
94300	Ordinary Maintenance and Operations Contracts	3,187,025	-	178,689	1,777	7,256
94500	Employee Benefit Contributions - Ordinary Maintenance	332,113	-	-	-	-
94000	Total Maintenance	\$ 5,313,193	\$ -	\$ 178,689	\$ 1,777	\$ 7,256

See independent auditor's report.

Mobile Housing Authority
Financial Data Schedule
Entity-Wide Revenue and Expense Summary
For the Year Ended December 31, 2020

	Public Housing 14,850/14,872	Supportive Housing for Persons with Disability	Public Housing CARES	MSC Mainstream CARES Act	COCC Cares	HCC HCV Cares
95100 Protective Services - Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95200 Protective Services - Other Contract Costs	348,145	-	-	-	-	-
95300 Protective Services - Other	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-
95000 Total Protective Services	348,145	-	-	-	-	-
96110 Property Insurance	983,288	-	-	-	-	-
96120 Liability Insurance	108,882	-	-	-	-	-
96130 Workmens' Compensation	30,684	-	-	-	-	-
96140 All Other Insurance	20,613	-	-	-	-	-
96100 Total Insurance Premiums	1,143,467	-	-	-	-	-
96200 Other General Expenses	391,945	-	-	-	-	-
96210 Compensated Absences	-	-	-	-	-	-
96300 Payments in Lieu of Taxes	31,277	-	-	-	-	-
96400 Bad debt - Tenant Rents	15,409	-	-	-	-	-
96500 Bad debt - Mortgages	-	-	-	-	-	-
96600 Bad debt - Other	214,395	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-
96000 Total Other General Expenses	653,026	-	-	-	-	-
96710 Interest of Mortgage (or Bonds) Payable	144,844	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	144,844	-	-	-	-	-
96900 Total Operating Expenses	15,047,609	-	210,971	1,782	16,139	100,568
97000 Excess (Deficiency) of Operating Revenue over Operating Expenses	1,268,699	-	38,311	1,711	20,266	55,259
97100 Extraordinary Maintenance	172,093	-	38,311	1,711	20,266	55,259
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-
97300 Housing Assistance Payments	-	-	-	-	-	-
97350 HAP Portability-In	-	-	-	-	-	-
97400 Depreciation Expense	6,182,145	-	-	-	-	-
97500 Fraud Losses	301	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-
90000 Total Expenses	21,402,148	-	249,282	3,493	36,405	155,827
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(5,085,840)	-	-	-	-	-
10010 Operating Transfer In	4,271,001	-	-	-	-	-
10020 Operating Transfer Out	(4,029,043)	-	-	-	-	-
10030 Operating Transfers from/to Primary Government	-	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-	-
10100 Total Other Financing Sources (Uses)	241,958	-	-	-	-	-
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-
Beginning Net Position	56,793,441	-	-	-	-	-
Ending Net Position	\$ 51,949,559	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

Mobile Housing Authority
Financial Data Schedule
Entity-Wide Revenue and Expense Summary
For the Year Ended December 31, 2020

	Child and Adult Care Fund	PIH Family Self-Sufficiency Program	Resident Opportunity and Support Services	Housing Choice Vouchers 14,871	Mainstream Vouchers
70300 Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
70400 Tenant Revenue - Other	-	-	-	124,801	800
70500 Total Tenant Revenue	-	-	-	124,801	800
70600 HUD PHA Operating Grants	-	215,979	-	30,714,360	766,414
70610 Capital Grants	-	-	-	-	-
70710 Management Fee	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-
70730 Bookkeeping Fee	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-
70750 Other Fees	-	-	-	-	-
70700 Total Fee Revenue	-	215,979	-	30,714,360	766,414
70800 Other Government Grants	12,797	-	-	-	-
71100 Investment Income - Unrestricted	53	-	-	4,645	-
71200 Mortgage Interest Income	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-
71400 Fraud Recovery	-	-	-	2,251	12
71500 Other Revenue	-	-	-	61,554	1
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-
70000 Total Revenue	12,850	215,979	-	30,907,611	767,227
91100 Administrative Salaries	-	-	-	500,233	868
91200 Auditing Fees	-	-	-	844	26
91300 Management Fee	-	-	-	559,944	13,200
91310 Bookkeeping Fee	-	-	-	349,965	8,250
91400 Advertising and Marketing	-	-	-	-	-
91500 Employee Benefit Contributions - Administrative	-	-	-	520,020	-
91600 Office Expenses	442	-	-	471,923	20,474
91700 Legal Expense	-	-	-	938	29
91800 Travel	-	-	-	2,571	79
91810 Allocated Overhead	-	-	-	-	-
91900 Other	-	-	-	254	19
91000 Total Operating - Administrative	442	-	-	2,406,692	42,945
92000 Asset Management Fee	-	-	-	-	-
92100 Tenant Services - Salaries	-	110,169	-	12,321	282
92200 Relocation Costs	-	-	-	2,012	59
92300 Employee Benefit Contributions - Tenant Services	-	105,810	-	6	-
92400 Tenant Services - Other	17,057	-	-	-	-
92500 Total Tenant Services	17,057	215,979	-	14,339	341
93100 Water	-	-	-	253	9
93200 Electricity	-	-	-	37,700	1,065
93300 Gas	-	-	-	636	22
93400 Fuel	-	-	-	-	-
93500 Labor	-	-	-	-	-
93600 Sewer	-	-	-	488	17
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-
93000 Total Utilities	-	-	-	39,077	1,113
94100 Ordinary Maintenance and Operations - Labor	-	-	-	5,787	-
94200 Ordinary Maintenance and Operations - Materials and Other	-	-	-	2,526	79
94300 Ordinary Maintenance and Operations Contracts	-	-	-	48,273	1,484
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-
94000 Total Maintenance	\$ -	\$ -	\$ -	\$ 56,586	\$ 1,563

See independent auditor's report.

Mobile Housing Authority
Financial Data Schedule
Entity-Wide Revenue and Expense Summary
For the Year Ended December 31, 2020

	Child and Adult Care Fund	PIH Family Self-Sufficiency Program	Resident Opportunity and Support Services	Housing Choice Vouchers 14,871	Mainstream Vouchers
95100	Protective Services - Labor	\$ -	\$ -	\$ -	\$ -
95200	Protective Services - Other Contract Costs	-	-	-	-
95300	Protective Services - Other	-	-	-	-
95500	Employee Benefit Contributions - Protective Services	-	-	-	-
95000	Total Protective Services	-	-	-	-
96110	Property Insurance	-	-	1,681	53
96120	Liability Insurance	-	-	-	-
96130	Workmens' Compensation	-	-	9,061	271
96140	All Other Insurance	-	-	4,918	151
96100	Total Insurance Premiums	-	-	15,660	475
96200	Other General Expenses	-	-	22,253	399
96210	Compensated Absences	-	-	-	-
96300	Payments in Lieu of Taxes	-	-	-	-
96400	Bad debt - Tenant Rents	-	-	-	-
96500	Bad debt - Mortgages	-	-	-	-
96600	Bad debt - Other	300	-	-	-
96800	Severance Expense	-	-	-	-
96000	Total Other General Expenses	300	-	22,253	399
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-
96900	Total Operating Expenses	17,799	215,979	2,554,607	46,836
97000	Excess (Deficiency) of Operating Revenue over Operating Expenses	(4,949)	-	28,353,004	720,391
97100	Extraordinary Maintenance	-	-	-	-
97200	Casualty Losses - Non-capitalized	-	-	-	-
97300	Housing Assistance Payments	-	-	28,359,223	578,541
97350	HAP Portability-In	-	-	-	-
97400	Depreciation Expense	-	-	-	-
97500	Fraud Losses	-	-	-	-
97600	Capital Outlays - Governmental Funds	-	-	-	-
97700	Debt Principal Payment - Governmental Funds	-	-	-	-
97800	Dwelling Units Rent Expense	-	-	-	-
90000	Total Expenses	17,799	215,979	30,913,830	625,377
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(4,949)	-	(6,219)	141,850
10010	Operating Transfer In	-	-	-	-
10020	Operating Transfer Out	-	-	-	-
10030	Operating Transfers from/to Primary Government	-	-	-	-
10040	Operating Transfers from/to Component Unit	-	-	-	-
10050	Proceeds from Notes, Loans and Bonds	-	-	-	-
10060	Proceeds from Property Sales	-	-	-	-
10070	Extraordinary Items, Net Gain/Loss	-	-	-	-
10080	Special Items (Net Gain/Loss)	-	-	-	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-
10093	Transfers between Program and Project - In	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-
10100	Total Other Financing Sources (Uses)	-	-	-	-
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-
	Beginning Net Position	(5,416)	-	201,129	49,867
	Ending Net Position	\$ (10,365)	\$ -	\$ 194,910	\$ 191,717

See independent auditor's report.

Mobile Housing Authority
Financial Data Schedule
Entity-Wide Revenue and Expense Summary
For the Year Ended December 31, 2020

		Component Unit Blended	Disaster Housing Assistance Grant	Business Activities	COCC	Subtotal
70300	Net Tenant Rental Revenue	\$ -	\$ -	\$ 16,397	\$ -	\$ 3,343,496
70400	Tenant Revenue - Other	-	-	801	-	283,786
70500	Total Tenant Revenue	-	-	17,198	-	3,627,282
70600	HUD PHA Operating Grants	-	-	-	-	42,043,641
70610	Capital Grants	-	-	-	-	2,715,354
70710	Management Fee	-	-	-	2,334,083	2,334,083
70720	Asset Management Fee	-	-	-	302,520	302,520
70730	Bookkeeping Fee	-	-	-	487,676	487,676
70740	Front Line Service Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	3,124,279	47,883,274
70800	Other Government Grants	74,315	-	23,176	-	110,288
71100	Investment Income - Unrestricted	310	-	399	-	19,906
71200	Mortgage Interest Income	-	-	-	-	-
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	2,564
71500	Other Revenue	42,378	-	22,034	74	295,052
71600	Gain or Loss on Sale of Capital Assets	-	-	1,500	-	32,279
72000	Investment Income - Restricted	-	-	157,059	-	157,059
70000	Total Revenue	117,003	-	221,366	3,124,353	52,127,704
91100	Administrative Salaries	-	-	5,967	1,062,178	2,058,457
91200	Auditing Fees	-	-	-	22,240	24,397
91300	Management Fee	-	-	16,139	-	2,334,083
91310	Bookkeeping Fee	-	-	1,035	-	487,676
91400	Advertising and Marketing	-	-	43	4,471	5,887
91500	Employee Benefit Contributions - Administrative	-	-	8,844	1,276,331	3,456,096
91600	Office Expenses	93,641	-	13,145	533,236	1,526,498
91700	Legal Expense	-	-	-	185,428	206,832
91800	Travel	-	-	-	20,086	22,845
91810	Allocated Overhead	-	-	-	-	-
91900	Other	-	-	224	1,274	30,146
91000	Total Operating - Administrative	93,641	-	45,397	3,105,244	10,152,917
92000	Asset Management Fee	-	-	-	-	302,520
92100	Tenant Services - Salaries	-	-	-	-	293,285
92200	Relocation Costs	-	-	-	-	91,141
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	143,619
92400	Tenant Services - Other	-	-	-	-	77,657
92500	Total Tenant Services	-	-	-	-	605,702
93100	Water	-	-	861	1,547	320,548
93200	Electricity	-	-	3,639	61,166	813,110
93300	Gas	-	-	-	9,226	713,497
93400	Fuel	-	-	-	-	-
93500	Labor	-	-	-	-	-
93600	Sewer	-	-	737	4,008	651,405
93700	Employee Benefit Contributions - Utilities	-	-	-	-	-
93800	Other Utilities Expense	-	-	-	-	33,000
93000	Total Utilities	-	-	5,237	75,947	2,531,560
94100	Ordinary Maintenance and Operations - Labor	-	-	182	274,900	1,347,770
94200	Ordinary Maintenance and Operations - Materials and Other	2,682	-	442	31,729	764,612
94300	Ordinary Maintenance and Operations Contracts	12,123	-	9,532	72,330	3,575,913
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	24	76,575	408,712
94000	Total Maintenance	\$ 14,805	\$ -	\$ 10,180	\$ 455,534	\$ 6,097,007

See independent auditor's report.

Mobile Housing Authority
Financial Data Schedule
Entity-Wide Revenue and Expense Summary
For the Year Ended December 31, 2020

	Component Unit Blended	Disaster Housing Assistance Grant	Business Activities	COCC	Subtotal
95100	Protective Services - Labor	\$ -	\$ -	\$ -	\$ -
95200	Protective Services - Other Contract Costs	-	-	-	348,145
95300	Protective Services - Other	-	-	-	-
95500	Employee Benefit Contributions - Protective Services	-	-	-	-
95000	Total Protective Services	-	-	-	348,145
96110	Property Insurance	-	-	3,645	279
96120	Liability Insurance	-	-	566	-
96130	Workmens' Compensation	-	-	266	21,716
96140	All Other Insurance	-	-	167	15,549
96100	Total Insurance Premiums	-	-	4,644	37,544
96200	Other General Expenses	952	-	-	16,140
96210	Compensated Absences	-	-	-	-
96300	Payments in Lieu of Taxes	-	-	-	31,277
96400	Bad debt - Tenant Rents	-	-	-	15,409
96500	Bad debt - Mortgages	-	-	-	-
96600	Bad debt - Other	8,208	-	-	16,944
96800	Severance Expense	-	-	-	-
96000	Total Other General Expenses	9,160	-	-	33,084
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	144,844
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	144,844
96900	Total Operating Expenses	117,606	-	65,458	3,707,353
97000	Excess (Deficiency) of Operating Revenue over Operating Expenses	(603)	-	155,908	(583,000)
97100	Extraordinary Maintenance	1,000	-	121	-
97200	Casualty Losses - Non-capitalized	-	-	-	-
97300	Housing Assistance Payments	-	-	-	28,937,764
97350	HAP Portability-In	-	-	-	-
97400	Depreciation Expense	-	-	172,031	6,946
97500	Fraud Losses	-	-	-	301
97600	Capital Outlays - Governmental Funds	-	-	-	-
97700	Debt Principal Payment - Governmental Funds	-	-	-	-
97800	Dwelling Units Rent Expense	-	-	-	-
90000	Total Expenses	118,606	-	237,610	3,714,299
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(1,603)	-	(16,244)	(589,946)
10010	Operating Transfer In	-	-	3,506	-
10020	Operating Transfer Out	-	-	(241,958)	(3,506)
10030	Operating Transfers from/to Primary Government	-	-	-	-
10040	Operating Transfers from/to Component Unit	-	-	-	-
10050	Proceeds from Notes, Loans and Bonds	-	-	-	-
10060	Proceeds from Property Sales	-	-	-	-
10070	Extraordinary Items, Net Gain/Loss	-	-	-	-
10080	Special Items (Net Gain/Loss)	-	-	-	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-
10093	Transfers between Program and Project - In	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-
10100	Total Other Financing Sources (Uses)	-	-	(238,452)	(3,506)
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-
	Beginning Net Position	97,384	63,637	14,625,321	1,811,407
	Ending Net Position	\$ 95,781	\$ 63,637	\$ 14,370,625	\$ 1,217,955

See independent auditor's report.

Mobile Housing Authority
Financial Data Schedule
Entity-Wide Revenue and Expense Summary
For the Year Ended December 31, 2020

	ELIM	Total	Downtown Renaissance Partnership II, LP	Downtown Renaissance Partnership I, LP	Cottage Hill Place, LLC	Total
70300 Net Tenant Rental Revenue	\$ -	\$ 3,343,496	\$ 505,128	\$ 588,182	\$ 698,588	\$ 1,791,898
70400 Tenant Revenue - Other	-	283,786	-	-	-	-
70500 Total Tenant Revenue	-	3,627,282	505,128	588,182	698,588	1,791,898
70600 HUD PHA Operating Grants	-	42,043,641	-	-	-	-
70610 Capital Grants	-	2,715,354	-	-	-	-
70710 Management Fee	(2,334,083)	-	-	-	-	-
70720 Asset Management Fee	(302,520)	-	-	-	-	-
70730 Bookkeeping Fee	(487,676)	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-
70700 Total Fee Revenue	(3,124,279)	44,758,995	-	-	-	-
70800 Other Government Grants	-	110,288	-	-	-	-
71100 Investment Income - Unrestricted	-	19,906	4,584	2,413	89	7,086
71200 Mortgage Interest Income	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-
71400 Fraud Recovery	-	2,564	-	-	-	-
71500 Other Revenue	-	295,052	25,305	28,821	9,706	63,832
71600 Gain or Loss on Sale of Capital Assets	-	32,279	-	-	-	-
72000 Investment Income - Restricted	-	157,059	-	-	-	-
70000 Total Revenue	(3,124,279)	49,003,425	535,017	619,416	708,383	1,862,816
91100 Administrative Salaries	-	2,058,457	61,693	56,626	71,890	190,209
91200 Auditing Fees	-	24,397	10,730	10,730	9,885	31,345
91300 Management Fee	(2,334,083)	-	20,828	24,081	70,337	115,246
91310 Bookkeeping Fee	(487,676)	-	-	-	-	-
91400 Advertising and Marketing	-	5,887	10	10	1,486	1,506
91500 Employee Benefit Contributions - Administrative	-	3,456,096	-	-	-	-
91600 Office Expenses	-	1,526,498	5,564	4,918	4,004	14,486
91700 Legal Expense	-	206,832	318	643	300	1,261
91800 Travel	-	22,845	-	-	1,812	1,812
91810 Allocated Overhead	-	-	-	-	-	-
91900 Other	-	30,146	38,867	43,664	8,521	91,052
91000 Total Operating - Administrative	(2,821,759)	7,331,158	138,010	140,672	168,235	446,917
92000 Asset Management Fee	(302,520)	-	-	-	-	-
92100 Tenant Services - Salaries	-	293,285	-	-	-	-
92200 Relocation Costs	-	91,141	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	143,619	-	-	-	-
92400 Tenant Services - Other	-	77,657	-	-	-	-
92500 Total Tenant Services	-	605,702	-	-	-	-
93100 Water	-	320,548	1,333	9,871	33,349	44,553
93200 Electricity	-	813,110	21,932	34,785	17,145	73,862
93300 Gas	-	713,497	-	-	-	-
93400 Fuel	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-
93600 Sewer	-	651,405	1,299	21,824	-	23,123
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-
93800 Other Utilities Expense	-	33,000	121	3,280	14,323	17,724
93000 Total Utilities	-	2,531,560	24,685	69,760	64,817	159,262
94100 Ordinary Maintenance and Operations - Labor	-	1,347,770	33,513	39,057	31,840	104,410
94200 Ordinary Maintenance and Operations - Materials and Other	-	764,612	49,708	110,008	32,856	192,572
94300 Ordinary Maintenance and Operations Contracts	-	3,575,913	58,233	119,379	25,505	203,117
94500 Employee Benefit Contributions - Ordinary Maintenance	-	408,712	-	-	-	-
94000 Total Maintenance	\$ -	\$ 6,097,007	\$ 141,454	\$ 268,444	\$ 90,201	\$ 500,099

See independent auditor's report.

Mobile Housing Authority
Financial Data Schedule
Entity-Wide Revenue and Expense Summary
For the Year Ended December 31, 2020

	ELIM	Total	Downtown Renaissance Partnership II, LP	Downtown Renaissance Partnership I, LP	Cottage Hill Place, LLC	Total
						-
95100 Protective Services - Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95200 Protective Services - Other Contract Costs	-	348,145	-	-	-	-
95300 Protective Services - Other	-	-	10,593	16,446	693	27,732
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-
95000 Total Protective Services	-	348,145	10,593	16,446	693	27,732
						-
96110 Property Insurance	-	988,946	48,187	51,421	48,244	147,852
96120 Liability Insurance	-	109,448	-	-	-	-
96130 Workmens' Compensation	-	61,998	1,368	1,455	5,757	8,580
96140 All Other Insurance	-	41,398	44,585	29,067	11,882	85,534
96100 Total Insurance Premiums	-	1,201,790	94,140	81,943	65,883	241,966
						-
96200 Other General Expenses	-	431,689	429	769	7,438	8,636
96210 Compensated Absences	-	-	-	-	-	-
96300 Payments in Lieu of Taxes	-	31,277	-	-	-	-
96400 Bad debt - Tenant Rents	-	15,409	814	4	4,236	5,054
96500 Bad debt - Mortgages	-	-	-	-	-	-
96600 Bad debt - Other	-	239,847	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-
96000 Total Other General Expenses	-	718,222	1,243	773	11,674	13,690
						-
96710 Interest of Mortgage (or Bonds) Payable	-	144,844	3,889	159,611	221,266	384,766
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	23,842	15,216	25,005	64,063
96700 Total Interest Expense and Amortization Cost	-	144,844	27,731	174,827	246,271	448,829
						-
96900 Total Operating Expenses	(3,124,279)	18,978,428	437,856	752,865	647,774	1,838,495
						-
97000 Excess (Deficiency) of Operating Revenue over Operating Expenses	-	30,024,997	97,161	(133,449)	60,609	24,321
						-
97100 Extraordinary Maintenance	-	288,761	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-
97300 Housing Assistance Payments	-	28,937,764	-	-	-	-
97350 HAP Portability-In	-	-	-	-	-	-
97400 Depreciation Expense	-	6,361,122	404,822	430,140	449,215	1,284,177
97500 Fraud Losses	-	301	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-
90000 Total Expenses	(3,124,279)	54,566,376	842,678	1,183,005	1,096,989	3,122,672
						-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-	(5,562,951)	(307,661)	(563,589)	(388,606)	(1,259,856)
						-
10010 Operating Transfer In	(4,274,507)	-	-	-	-	-
10020 Operating Transfer Out	4,274,507	-	-	-	-	-
10030 Operating Transfers from/to Primary Government	-	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	78,430	-	(22,402)	56,028
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-	-
10100 Total Other Financing Sources (Uses)	-	-	78,430	-	(22,402)	56,028
						-
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-
						-
Beginning Net Position	-	73,636,770	2,843,502	6,662,642	9,195,016	18,701,160
Ending Net Position	\$ -	\$ 68,073,819	\$ 2,614,271	\$ 6,099,053	\$ 8,784,008	\$ 17,497,332

See independent auditor's report.

**MOBILE HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass- Through Identifying Number</u>	<u>Amount Passed to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Housing and Urban Development ("HUD"):				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	N/A	\$ -	\$ 30,714,360
COVID-19 Section 8 Housing Choice Vouchers	14.871	N/A	-	155,827
Mainstream Vouchers	14.879	N/A	-	766,414
COVID-19 Mainstream Vouchers	14.879	N/A	<u>-</u>	<u>3,493</u>
Total Housing Voucher Cluster			<u>-</u>	<u>31,640,094</u>
Public and Indian Housing	14.850	N/A	-	7,547,895
COVID-19 Public and Indian Housing	14.850	N/A	<u>-</u>	<u>249,282</u>
Total Public and Indian Housing			<u>-</u>	<u>7,797,177</u>
Public Housing Capital Fund	14.872	N/A	-	5,105,745
Family Self-Sufficiency	14.896	N/A	<u>-</u>	<u>215,979</u>
Total HUD Federal Expenditures			<u>-</u>	<u>44,758,995</u>
U.S. Department of Agriculture:				
Child & Adult Care Food Program	10.558	N/A	<u>-</u>	<u>12,797</u>
Total Federal Expenditures			<u>\$ -</u>	<u>\$ 44,771,792</u>

See accompanying notes to schedule of expenditures of federal awards.

MOBILE HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Mobile Housing Authority (the "Authority") under programs of the federal government for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. SUBRECIPIENTS

The Authority did not pass through any federal awards to subrecipients during the year ended December 31, 2020.

NOTE 4. INDIRECT COST RATE

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners
Mobile Housing Authority
Mobile, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Mobile Housing Authority (the "Authority"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 31, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a material weakness.

Internal Control over Financial Reporting (Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-003.

The Authority's Responses to Findings

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
March 31, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Mobile Housing Authority
Mobile, Alabama

Report on Compliance for Each Major Federal Program

We have audited the Mobile Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2020. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-002, 2020-003, and 2020-004. Our opinion on each major federal program is not modified with respect to these matters.

The Authority's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2020-004 to be a material weakness.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. Citrin Cooperman is an independent member of Moore North America, which is itself a regional member of Moore Global Network Limited (MGNL).

Report on Internal Control over Compliance (Continued)

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2020-002 and 2020-003 to be significant deficiencies.

The Authority's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
March 31, 2023

**MOBILE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report to be issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	Yes
Significant deficiencies identified?	Yes
Noncompliance material to the financial statements?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Identification of major programs:	<u>CFDA</u>
Housing Voucher Cluster	14.871/14.879
Dollar threshold to distinguish between Type A and Type B programs	\$ <u>1,343,154</u>
Auditee qualified as low-risk auditee?	No

MOBILE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II: FINANCIAL STATEMENT FINDINGS

Finding 2020-001: Material Adjustments (Material Weakness)

Criteria: In accordance with AU 265, *Communicating Internal Control Related Matters*, when a deficiency or a combination of deficiencies in internal control over financial reporting is identified which indicates that there is a reasonable possibility that a material misstatement of the financial statements will not be presented or detected and corrected on a timely basis, a material weakness should be reported.

Condition: Significant adjustments were required to be made to the year-end general ledger in order to conform the financial statements to accounting principles generally accepted in the United States of America ("U.S. GAAP").

Context: Several adjustments were made to cash, receivables, capital assets, revenue, and expenses to conform the financial statements to U.S. GAAP.

Effect: Several accounts had incorrect balances which required adjustments.

Cause: The Authority did not perform year-end reconciliations on several accounts.

Auditor's Recommendations: The Authority should assess staffing needs based on the size and complexity of the Authority and develop a review process over the financial close and reporting process to ensure that it reconciles to supporting documentation and that it is reporting in accordance with U.S. GAAP. We further recommend that the Authority utilize a year-end checklist that would assist in closing the fiscal year timely and accurately.

Views of Responsible Officials: Management has reviewed its staffing needs and end of year complexities and requirements necessary to report U.S. GAAP basis financial statements. Management has hired additional staff that possess the necessary accounting and reporting skills and experience to assist with interim reporting, end of year close, reconciliations of all significant account balances, and strengthening the internal controls over financial reporting including amounts reported in the financial data schedule. Checklists will be used and a multi-layer review process are considered necessary to reduce the risk of material misstatement in the financial statements.

Finding 2020-003: Late REAC Submission (Significant Deficiency)

Criteria: In accordance with 24 CFR Section 5.801, the Authority is required to submit timely U.S. GAAP-based unaudited financial information electronically to HUD within 60 days subsequent to year end.

Condition: The Authority did not submit the required U.S. GAAP-based unaudited financial information by the due date.

Effect: The Authority did not submit its financial data on time.

Cause: The Authority's internal controls in place did not allow the Authority to timely complete and submit the information by the required due date.

Auditor's Recommendations: The Authority should review and enhance its internal controls to ensure financial information is submitted to HUD in a timely manner.

Views of Responsible Officials: In addition to the action steps taken by management described in the response to finding 2020-001, the Authority will get started earlier in conducting our end of year reconciliations and enhance our oversight so they can better monitor and evaluate our readiness to report our financial statements in compliance with 24 CFR Section 5.801.

**MOBILE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2020-002: Missing Release Form (Significant Deficiency)

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Title: Housing Voucher Cluster

Federal Assistance Listing Number: 14.871/14.879

Compliance Requirement: Eligibility

Criteria: In accordance with 24 CFR Section 982.516, the Authority is required to execute a HUD-approved release and consent form authorizing any depository or private source of income, or any Federal, State, or local agency, to furnish or release to the Authority or HUD such information as the Authority or HUD determines to be necessary.

Condition: The Authority did not obtain proper authorization from tenants to release necessary information.

Context: For 1 out of the 40 tenants selected for eligibility, the Authority did not obtain proper authorization from tenants to release necessary information.

Effect: The Authority obtained necessary information without proper authorization from tenants.

Cause: The Authority's internal controls in place did not prevent the Authority from obtaining necessary information without proper authorization from tenants.

Repeat Finding: This is not a repeat finding.

Auditor's Recommendations: The Authority should review and enhance its internal controls to ensure tenants provide release forms prior to obtaining necessary documentation.

Views of Responsible Officials: MHA will review and enhance as necessary the program's existing quality control (QC) checklist and convene a short in-service training for Housing Specialists I and II pertaining to file completeness and information collection requirements and procedures. This will be helpful to convene semi-regularly given the significant rate of turnover in the Housing Specialist position responsible for application and reexamination file processing. Additionally, HCV will request from the IT Support request ticketing system the tracking record for the system control requests, problem identification and corrective actions as it pertains to required form collection and submission by tenants. This information will be maintained in the program file.

**MOBILE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

**SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

Finding 2020-003: Late REAC Submission (Significant Deficiency)

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Title: Housing Voucher Cluster

Federal Assistance Listing Number: 14.871/14.879

Compliance Requirement: Reporting

Criteria: In accordance with 24 CFR Section 5.801, the Authority is required to submit timely U.S. GAAP-based unaudited financial information electronically to HUD within 60 days subsequent to year end.

Condition: The Authority did not submit the required U.S. GAAP-based unaudited financial information by the due date.

Context: For the one unaudited submission requirement, the Authority did not submit the required financial information by the due date.

Effect: The Authority did not submit their financial data on time.

Cause: The Authority's internal controls in place did not prevent the Authority from missing the required due date.

Repeat Finding: This is not a repeat finding.

Auditor's Recommendations: The Authority should review and enhance its internal controls to ensure financial information is submitted to HUD in a timely manner.

Views of Responsible Officials: In addition to the action steps taken by management described in the response to finding 2020-001, the Authority will get started earlier in conducting our end of year reconciliations and enhance our oversight so they can better monitor and evaluate our readiness to report our financial statements in compliance with 24 CFR Section 5.801.

**MOBILE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

**SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

Finding 2020-004: HQS Inspections (Material Weakness)

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Title: Housing Voucher Cluster

Federal Assistance Listing Number: 14.871/14.879

Compliance Requirement: Special Tests and Provisions

Criteria: In accordance with 24 CFR Section 982.158, the Authority is required to inspect the unit leased to a family at least annually to determine if the unit meets Housing Quality Standards (HQS). During 2020, HUD issued a waiver allowing PHAs to forgo the HQS inspection requirement as long as the PHA obtains an owner certification that there are no life-threatening deficiencies in the unit.

Condition: The Authority did not inspect the units to determine if they meet HQS nor did they obtain an owner certification.

Context: For 11 out of 40 units reviewing for HQS inspections, the Authority did not inspect the units to determine if they meet HQS nor did they obtain an owner certification.

Effect: The Authority did not inspect units that are required to be inspected under HQS.

Cause: The Authority's internal controls in place did not prevent the Authority from missing required HQS requirements.

Repeat Finding: This is not a repeat finding.

Auditor's Recommendations: The Authority should review and enhance its internal controls to ensure units are inspected annually under HQS.

Views of Responsible Officials: MHA has implemented new data management protocols which will track housing inspections that are required and track when the inspections have been completed. MHA has mandated these unit inspections be monitored by a supervisor.