HOUSING AUTHORITY OF THE CITY OF MULBERRY

Mulberry, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2025

The Housing Authority of the City of Mulberry's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's basic financial statements.

Financial Highlights

- The Authority's net position increased by $54,903 during fiscal year ended 2025.
- The total operating revenues of the Authority decreased by $56,169 during fiscal year ended 2025.
- The total operating expenses of all Authority programs decreased by $65,286 during fiscal year ended 2025.
- At the close of fiscal year ended 2025, the Authority's assets exceeded its liabilities by $549,591.

Using This Annual Report

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Supplemental Information":

MD&A
~ Management's Discussion and Analysis

Basic Financial Statements
~ Authority-wide Financial Statements –
Statement of Net Position
Statement of Revenues, Expenses, and Changes in Net Position
Statement of Cash Flows

~ Notes to Basic Financial Statements

Supplemental Information
~ Supplemental Information

The primary focus of the Authority's basic financial statements is on both the Authority as a whole (Authority-wide) and the major individual programs. Both perspectives (authority-wide and major individual programs) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority), and enhance the Authority's accountability.

Authority-Wide Basic Financial Statements

The Authority-wide basic financial statements are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

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 the Authority. The statement is presented in the format where assets, minus liabilities, equal "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Noncurrent".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (noncapital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity) is reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, 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 creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Net Position, Net Investment in Capital Assets", or "Restricted Net Position".

The Authority-wide basic financial statements also include a **Statement of Revenues, Expenses and Changes in Net Position** (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 Nonoperating Revenue and Expenses, such as capital 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.

Finally, a **Statement of Cash Flows** is included, which discloses net cash provided by, or used for operating activities; noncapital financing activities; from capital and related financing activities; and from investing activities.

Basic Financial Statements

The Authority consists of an Enterprise Fund. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

The Authority's Programs

Low Rent Public Housing – Under the Low Rent Public Housing Program, the Authority rents units that it owns to low-income households. The Low Rent Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the Authority to provide the housing at a rent that is based upon 30% of household income. The Low Rent Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Capital Fund Program – The Low Rent Public Housing also includes the capital fund program, which is the primary source for physical and management improvements to the Authority's ACC properties. The formula funding methodology used is based upon the number of units, bedroom sizes of those units, and age of the buildings/ units.

Authority Wide Statements

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior year. The Authority is engaged only in Business-type activities.

Table 1 – Comparative Statement of Net Position

Please insert Comparative Statement of Net Position

HOUSING AUTHORITY OF THE CITY OF MULBERRY
Mulberry, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2025
(Continued)

Major Factors Affecting the Statement of Net Position

During 2025 current assets increased by $10,060 largely due to an increase in Prepaid items. Current liabilities decreased $41,671 due to a decrease in the accounts payable due to vendors.

Net capital assets increased from $171,616 to $175,862 due to an increase in building improvements and depreciation expense.

Table 2 – Comparative Statement of Revenues, Expenses and Changes in Net Position

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged in Business-type activities.

Comparative Statement of Revenues, Expenses, & Changes in Net Position

HOUSING AUTHORITY OF THE CITY OF MULBERRY
Mulberry, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2025
(Continued)

Major Factors Affecting the Statement of Revenues, Expenses and Changes in Net Position

Operating revenues decreased from 2024 to 2025 by $56,169 due to a decrease in HUD grants and rental revenues. As evidenced above, the Authority's current ratio increased during the fiscal year from 6.25 to 19.98 due to the decrease in accrued expenses. Current assets increased by $66,107 while current liabilities increased by $36,570. Net position increased by $10,060 primarily due to an increase in prepaid items offset by a decrease in accounts receivable.

Federal Awards:

Low Rent Public Housing	$ 132,370
Public Housing Capital Fund Program	10,060
Total Federal Awards	**$ 142,430**

Capital Assets and Debt Administration

Capital Assets

As of year-end, the Authority had $175,862 invested in a variety of capital assets as reflected in the following schedule.

Table 3 – Capital Assets at Year-End (Net of Depreciation)

Please insert Capital Assets at Year End

Debt Outstanding

As of year-end, the Authority had no long-term debt (bonds, notes, etc.) outstanding.

Factors Affecting Next Year's Budget

Availability of funding by HUD for operating subsidy and modernization remains uncertain and volatile. It is also anticipated that insurance costs may significantly increase due to the damages and claims associated with increased hurricane activity.

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- Increased material, contracted labor, and insurance costs due to hurricane activity.

Financial Contact

The individual to be contacted regarding this report is Patricia Dexter, Executive Director of the Housing Authority of the City of Mulberry. Specific requests may be submitted to the Mulberry Housing Authority at 1306 Larrick Lane, Plant City, Florida, 33566; telephone (813) 752-0569.

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