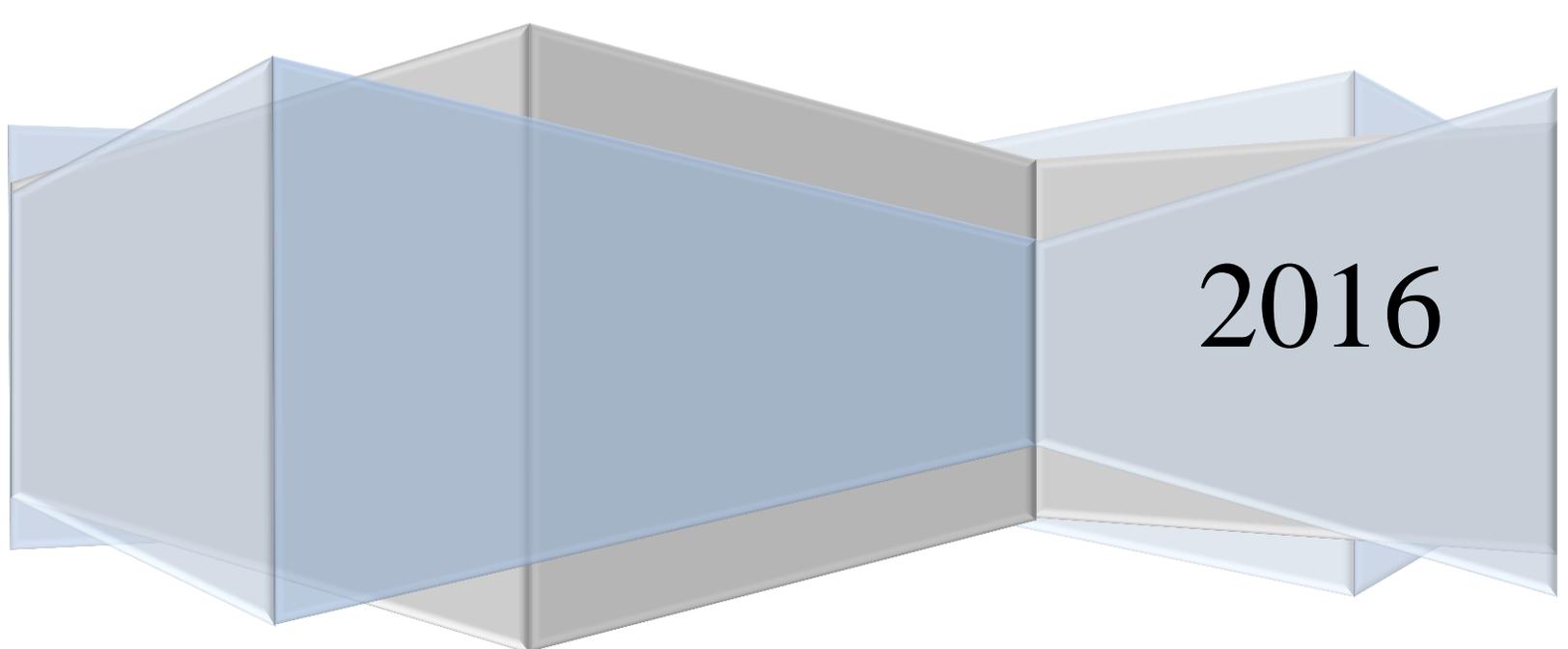




MISSISSIPPI REGIONAL HOUSING AUTHORITY IV

ANNUAL REPORT AND RECOMMENDATIONS

A large, 3D-rendered graphic of a ribbon or banner, colored in shades of blue and grey, spanning the width of the page. The number '2016' is printed in black on the right side of the ribbon.

2016



On behalf of the Mississippi Regional Housing Authority IV's Board of Commissioners, staff, and residents it is our pleasure to present the *2016 Annual Report and Recommendations*. Created in 1944, we are one of the oldest housing providers in the State. In this our 72nd year of service, we remain committed to serving the citizens in our nine county area of operation. This report is a brief overview of our activities for the preceding year and is filed in accordance with §43-33-41 of the Mississippi Code of 1972.

Thomas R. Robinson, Executive Director

The Mississippi Regional Housing Authority IV was established in 1944 under the laws of the State of Mississippi. Its purpose is to provide decent, safe, and sanitary affordable housing to the citizens of Carroll, Choctaw, Clay, Grenada, Lowndes, Montgomery, Oktibbeha, Webster, and Winston counties in Mississippi. A nine-member Board of Commissioners, who is appointed for five-year terms by the respective Board of Supervisors, governs the Authority. Although created pursuant to state law, the Authority utilizes no state funds. It generally administers activities relating to the Public Housing and the Section 8 Housing Choice Programs, both federal housing programs.

The Public Housing Program is authorized under the United States Housing Act of 1937, as amended. The Act authorizes the U.S. Department of Housing and Urban Development (HUD) to provide financial and technical assistance to public housing agencies (PHAs) in the provision of decent, safe, and sanitary dwellings at affordable rents to lower-income families. The public housing program is administered at the local level by PHAs which are non-federal public agencies authorized by state legislation and generally established by action of a town, city, county either regionally or by locale.

The PHA functions in the capacity of developer, owner, and manager of its public housing developments. The PHA has the responsibility for planning, financing, constructing, and managing its properties subject to applicable laws and contractual relationships with HUD and the local governing body. The landlord-tenant relationship of the PHA is established by virtue of its ownership of the properties and the provisions of individual leasing agreements with its tenants. The PHA performs all of the functions of a private landlord, including leasing units, collecting rents, maintaining the properties, and all of the other responsibilities related thereto.

PHA responsibilities for public housing developments are embodied in the state and federal enabling legislation and the Annual Contributions Contract (ACC) entered into between the PHA and HUD. A PHA is required to operate each development for the purpose of providing decent, safe, and sanitary dwelling units within the financial reach of lower-income families and to operate the development with efficiency, economy, serviceability, and stability.

HUD assists PHAs financially through the ACC by providing Capital Funds for capital improvements. In addition, HUD provides PHAs with annual operating funds to assist in maintaining the lower-income character of the developments, providing adequate administrative and maintenance services, and ensuring financial solvency. Operating Funds help cover annual deficits arising because of rent limitations and the cost of operations.

The Section 8 Housing Choice Voucher Program (HCV) is also authorized under the United States Housing Act of 1937, as amended. This program, originally authorized in 1974, is the federal government's major programs for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing at affordable rents in the private market. Since rental housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses, and apartments. The program participant is free to choose any housing opportunity that meets the requirements of the program and is not limited to units located in subsidized housing developments.

The Section 8 Homeownership Program is also offered to eligible Mississippi Regional Housing Authority IV participants. The program allows first-time homeowners to use their Section 8 rent subsidy to meet their monthly homeownership expenses (i.e. mortgage payments, utilities, maintenance and upkeep of property). Section 8 voucher holders who qualify to take part in the program must meet certain eligibility requirements. Once they have been deemed eligible to participate they will be required to take homebuyer education to prepare for homeownership and must secure their own mortgage financing.

A REPORT OF ACTIVITIES FOR 2016

MAJOR PROGRAMS AND SERVICES

Public Housing Program:

○ Yorkville, Columbus	100 units
○ Millwood-Ackerman	32 units
○ Westwood-Eupora	32 units
○ Applewood-Columbus	30 units
○ Conner Heights-Starkville	50 units
○ Oakwood Hills-Grenada	40 units
○ Stringer Manor-Columbus	30 units
○ Robinson Courts-Crawford	20 units
○ Red Hills Manor-Louisville	20 units
○ Scattered Sites-Maben	35 units

Section 8 Housing Choice Voucher Program:

	<u>2,478</u>	ACC Units for Area of Operation
TOTAL	<u>2,867</u>	Dwelling Units Available

Agency Wide Family Statistics:

○ Resident Average Annual Income	\$11,763
○ Average Total Rent	\$ 268
○ Total Household Members	7,502
○ Average Household Size	2.8

PROGRAMS

Low Rent Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with the Department of Housing and Urban Development (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 (as defined in the HUD Regulations).

Capital Fund Grants – The Authority’s capital funds are received from the federal government through a formula driven computation. These funds are used to upgrade facilities at various developments to give residents a decent and safe living environment. Each year’s grant funds must be entirely obligated within two years of inception of the grant, and entirely expended within four years.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority contracts with independent landlords (owners of the property). The Authority subsidized the family’s rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to structure a lease that sets the participant’s rent at 30% or up to 40% of household income.

Highlights for 2016

- The Authority’s operating revenue increased by \$913,966 or 7% during the fiscal year.
- At the close of the current fiscal year the Authority’s assets exceeded its liabilities by \$10,268,849.
- The Authority administers a Family Self Sufficiency (FSS) federal program to benefit low income families in the area of operation. The goal of this program is to provide the guidance and direction necessary to allow program participants to become self-sufficient. The program emphasizes life skills, education, training, and other comprehensive services. Since inception 153 participants have successfully completed the program. At June 30, 2016 fourteen participants were accruing monthly escrow. In fiscal year ending June 30, 2016 \$36,819 escrow balances were paid out for successful completions.
- The Authority continued to renovate and modernize public housing units through the ongoing Capital Fund Program.
- The Authority scored 100% (High Performer) on the Section Eight Management Assessment Program (SEMAP) for fiscal year ending June 30, 2016 which exceeded the established goals and objectives in the *PHA Five Year Plan* of 90%.
- For fiscal year ending June 30, 2016 the Housing Choice Voucher Program occupancy rate averaged 100% of the ACC units that funding would support. This met the established goals and objectives set forth in the *PHA Five Year Plan*.
- At June 30, 2016 eighteen families have successfully obtained mortgage financing and were participating in the Section 8 Homeownership Program for first time homebuyers.

Statement of Net Position
June 30, 2016

Assets

Current Assets

Cash – Unrestricted	\$ 2,056,969
Cash – Tenant Security Deposits	62,291
Cash – Restricted	79,878
Accounts Receivable – HUD	52,852
Accounts Receivable – Tenants (Net)	3,058
Accounts Receivable - Miscellaneous	20,016
Inventory (Net)	99,225
Prepaid Expenses	103,833

TOTAL CURRENT ASSETS **\$ 2,478,122**

Noncurrent Assets

Capital Assets (Net)	\$ 10,894,273
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TOTAL NONCURRENT ASSETS **\$ 10,894,273**

TOTAL ASSETS **\$ 13,372,395**

Deferred Outflow of Resources

Deferred Outflow from Pension	\$ 517,097
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TOTAL DEFERRED OUTFLOW OF RESOURCES **\$ 517,097**

Liabilities

Current Liabilities

Accounts Payable – Vendors	\$ 29,598
Accounts Payable – Other Government	198,722
Accrued Compensated Absences	18,827
Tenant Security Deposits	62,291
Accrued Interest Payable	468
Other Current Liabilities	22,800
Current Portion of Long Term Debt	58,333

TOTAL CURRENT LIABILITIES **\$ 391,039**

Long-Term Liabilities

Long-Term Debt	\$ 76,415
Accrued Compensated Absences	34,963
Other Liabilities	57,078
Net Pension Liability (GASB 68)	2,981,081

TOTAL LONG-TERM LIABILITIES **\$ 3,149,537**

TOTAL LIABILITIES **\$ 3,540,576**

Deferred Inflow of Resources

Deferred Inflow from Pension	\$ 80,067
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DEFERRED INFLOW OF RESOURCES **\$ 80,067**

Net Position

Invested in Capital Assets, net of related debt	\$ 10,759,525
Unrestricted	(490,676)

TOTAL NET POSITION **\$ 10,268,849**

**Statement of Revenues, Expenses, and Changes in Net Position for the
Year Ended June 30, 2016**

<u>OPERATING REVENUES</u>	
HUD Grants	\$ 12,893,832
Tenant Rental Revenue	561,512
Other Revenue	171,249
TOTAL OPERATING REVENUES	<u>\$ 13,626,593</u>
<u>OPERATING EXPENSES</u>	
Housing Assistance Payments	\$ 10,536,198
Administrative	1,701,586
Maintenance and Operations	887,831
Depreciation and Amortization	774,789
General	232,932
Utilities	165,360
Tenant Services	13,220
Protective Services	11,250
TOTAL OPERATING EXPENSES	<u>\$ 14,323,166</u>
<u>OPERATING INCOME (LOSS)</u>	<u>\$ (696,573)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest Income	\$ 1,069
Interest Expense	(6,696)
TOTAL NON-OPERATING REVENUES	<u>\$ (5,627)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	\$ (702,200)
Capital Contributions (Grants)	<u>590,992</u>
<u>CHANGE IN NET POSITION</u>	<u>\$ (111,208)</u>
<u>NET POSITION – BEGINNING</u>	<u>10,380,057</u>
<u>NET POSITION – ENDING</u>	<u>\$ 10,268,849</u>