

**DELAWARE MANUFACTURED HOME  
RELOCATION AUTHORITY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
FOR THE YEARS ENDED  
JUNE 30, 2025 AND 2024**

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Delaware Manufactured Home  
Relocation Authority

### **Opinion**

We have audited the accompanying financial statements of the Delaware Manufactured Home Relocation Authority (the Authority), which comprise the statements of assets, liabilities, and net assets-modified cash basis as of June 30, 2025 and 2024, and the related statements of revenues, expenses, and other changes in net assets-modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delaware Manufactured Home Relocation Authority as of June 30, 2025 and 2024, and the changes in its net assets for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Delaware Manufactured Home Relocation Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of support services—modified cash basis on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Atlantic Blue Advisors, LLC*

**Atlantic Blue Advisors, LLC  
Certified Public Accountants**

**Lewes, Delaware  
December 11, 2025**

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**  
**STATEMENTS OF ASSETS, LIABILITIES AND**  
**NET ASSETS- MODIFIED CASH BASIS**  
**JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 14,836,301	\$ 13,732,049
Total Current Assets	14,836,301	13,732,049
Fixed Assets		
Office Equipment	4,552	4,552
Leasehold Improvements	4,579	4,579
Less: Accumulated Depreciation	(3,179)	(2,418)
Net Fixed Assets	5,952	6,713
Other Assets		
Security Deposit	1,750	1,750
Total Other Assets	1,750	1,750
<b>Total Assets</b>	<b>\$ 14,844,003</b>	<b>\$ 13,740,512</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Total Liabilities	\$ -	\$ -
Total Net Assets - Restricted	14,844,003	13,740,512
<b>Total Liabilities and Net Assets</b>	<b>\$ 14,844,003</b>	<b>\$ 13,740,512</b>

See accompanying notes and independent auditor's report.

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY  
STATEMENTS OF REVENUES, EXPENSES, AND  
OTHER CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>REVENUES</b>		
Assessments	\$ 856,924	\$ 1,002,517
<b>OPERATING EXPENSES</b>		
Relocation Benefits	232,500	138,006
Support Services (page 10)	<u>243,084</u>	<u>212,116</u>
Total Operating Expenses	<u>475,584</u>	<u>350,122</u>
Operating Income	381,340	652,395
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income	722,912	465,013
State of Delaware - Board Member Stipend	-	5,465
Depreciation Expense	<u>(761)</u>	<u>(562)</u>
Total Nonoperating Revenues (Expenses)	<u>722,151</u>	<u>469,916</u>
Increase in Net Assets	1,103,491	1,122,311
Net Assets - Restricted - Beginning of Year	<u>13,740,512</u>	<u>12,618,201</u>
<b>Net Assets - Restricted - End of Year</b>	<u>\$ 14,844,003</u>	<u>\$ 13,740,512</u>

See accompanying notes and independent auditor's report.

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

The Delaware Manufactured Home Relocation Authority (the Authority) operates as an enterprise fund and the Authority's financial statements are reported using the economic resources measurement focus. The Authority was established in 2004 pursuant to Title 25 of the Delaware Code, Chapter 70, for the purpose of the administration and operation of the Delaware Manufactured Home Relocation Trust Fund (the Trust Fund).

The Authority is comprised of a Board of Directors consisting of five voting and one non-voting member. The chair is appointed by the Governor, as well as one member of the largest not-for-profit association representing manufactured homeowners in the State of Delaware and one member of the largest not-for-profit association representing the manufactured home industry in the State of Delaware. One member is appointed by each of the Speaker of the House of Representatives and the President Pro Tempore of the Senate. One non-voting member is appointed by the Attorney General as a representative of the Consumer Protection Unit of the Department of Justice.

The Trust Fund is funded by quarterly assessments collected by the property owner and funded from the property owners/landlords and from the tenants. The four purposes of the Trust Fund are to provide relocation assistance to community owners and tenants when a change in the use of the land that is occupied by the tenant requires termination of the existing rental agreement, to pay the administrative costs of the Authority, except board member compensation for meeting attendance under Section 7041(b)(2)b of Title 25 Chapter 70, to certify rent increases in accordance with SB 317; and to ensure that community owners comply with the Right of First Offer procedures outlined in Section 7026 of Title 25, Chapter 70 of the Delaware Code. The Authority has set payment limits for relocatable, non-relocatable, and abandoned homes. The Trust Fund is set to terminate on July 1, 2029, unless terminated sooner, or extended by the General Assembly. The cap on the Trust Fund was \$15,000,000, but on July 1, 2025, SB 144 was adopted to give the Board the flexibility to raise, lower, or eliminate the cap altogether. If the Trust Fund were to ever terminate, 50% of the funds would be disbursed to current tenants and 50% would be disbursed to current landlords, according to the Delaware Code.

Basis of Accounting

The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Accordingly, revenue is recorded when received rather than when earned and expenses are recorded when paid rather than the obligation is incurred. If the financial statements were prepared using accounting principles generally accepted in the United States (GAAP), the Authority would record a right-of-use asset and related liability for any operating leases with terms of more than one year. Modifications to the cash basis include recording fixed assets and a security deposit.

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Reporting Entity

The Authority is a related organization of the State of Delaware (the State). The Authority has no component units for which it is considered to be financially accountable. The Authority's activities are financed and operated as an enterprise fund as costs and expenses of providing services are recovered primarily through user charges.

The Authority is not presented in the State's Comprehensive Annual Financial Report because it is a related organization and has not met the criteria to be considered a component unit of the State.

Cash and Cash Equivalents

The Authority defines cash and cash equivalents to be all highly liquid investments with an initial maturity of three months or less. The cash and cash equivalents within the Authority's Trust Fund are controlled by the State Treasurer's Office in Dover, Delaware. The Authority controls the operating account.

Fixed Assets

Fixed assets in the accompanying financial statements are stated at cost, less accumulated depreciation. Additions with a cost of less than \$1,000 are expensed. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis over 10 years and 15 years for equipment and leasehold improvements, respectively. Depreciation expense for the years ended June 30, 2025 and 2024 was \$761 and \$562, respectively.

Operating Revenues and Expenses

Operating revenues consist of quarterly assessments from property owners on behalf of the landlord and tenant of each rented lot. Operating expenses include both program and support services. Program services include payments to manufactured home owners/tenants for reimbursements for moving costs and non-relocatable homes, and payments to manufactured home community owners for removal and/or disposal of non-relocatable or abandoned homes when there is a change in land use. Support services include all other operating expenses.

Interest earned from the investment or deposit of monies in the Trust Fund is deposited into the Trust Fund monthly by the personnel of the State of Delaware, Department of Finance, Division of Revenue.

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Designation of Net Assets

The statements of assets, liabilities, and net assets – modified cash basis report \$14,844,003 and \$13,740,512 of net assets restricted by enabling legislation as of June 30, 2025 and 2024, respectively.

Subsequent Events

In July 2025, the board moved to reduce the monthly assessment to \$1.50 per lot per month, which is then redirected to the Attorney Fund, reducing the amount paid to the Authority to \$0. This change takes effect January 1, 2026.

Management has evaluated subsequent events through December 11, 2025, which was the date that the financial statements were available to be issued.

**NOTE 2 – RESTRICTED CASH**

At June 30, 2025 and 2024, the Authority had cash and cash equivalents of \$14,836,301 and \$13,732,049, respectively. Of those amounts, \$14,810,784 and \$13,643,447, respectively, were part of an investment pool controlled by the personnel of the State Treasurer’s Office in Dover, Delaware. All investment decisions are made by the State Treasurer’s Office. These funds are considered to be highly liquid and available for immediate use, and they are recorded as cash equivalents in the financial statements.

The funds held by the State of Delaware investment pool, an internal investment pool, are specifically identified for the Authority, but the credit risk cannot be categorized. Credit risk for such investments depends on the financial stability of the State. The State reports that its investment securities with a remaining maturity at time of purchase of one year or less are stated at cost or amortized cost.

The operating account is in the custody of the Authority’s officials. The bank balance of these funds at June 30, 2025 and 2024 were \$25,317 and \$88,203, respectively. The bank balance of cash deposits is insured up to \$250,000 by the Federal Deposit Insurance Corporation; therefore, there is no custodial credit risk for these cash deposits. Petty cash on hand at June 30, 2025 and 2024 totaled \$200 and \$399, respectively.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

Certain members of the Authority’s Board of Directors are manufactured home community owners or manage manufactured home communities. These members have paid quarterly assessments of \$45,380 and \$52,862 into the Trust Fund during the years ended June 30, 2025 and 2024, respectively.

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 4 – OPERATING LEASES**

The Authority leases office space under an operating lease that began on April 3, 2020, and ends on April 30, 2028, with monthly rent of \$1,650, which increases \$50 per month annually on May 1<sup>st</sup>. Future minimum payments required under the lease are as follows:

June 30, 2026	\$ 19,900
June 30, 2027	20,500
June 30, 2028	<u>17,500</u>
Total minimum lease payments	<u>\$ 57,900</u>

Rent expense totaled \$19,350 and \$19,200 for the years ended June 30, 2025 and 2024, respectively.

**SUPPLEMENTARY INFORMATION**

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY  
SCHEDULES OF SUPPORT SERVICES - MODIFIED CASH BASIS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>PERSONNEL</b>		
Salaries and wages	\$ 119,251	\$ 111,655
Payroll taxes	<u>9,342</u>	<u>8,568</u>
	128,593	120,223
<b>OCCUPANCY</b>		
Rent	19,350	19,200
Utilities	<u>6,725</u>	<u>6,174</u>
	26,075	25,374
<b>PROFESSIONAL FEES</b>		
Accounting, auditing, and consulting fees	20,400	1,800
Bookkeeping and payroll processing	15,462	14,117
Legal fees	24,822	19,043
Arbitration costs	<u>1,275</u>	<u>1,565</u>
	61,959	36,525
<b>OTHER GENERAL AND ADMINISTRATIVE</b>		
Insurance	230	5,512
Board stipends	1,765	3,400
Office and supplies expense	21,714	16,979
Postage	545	853
Travel expenses	<u>2,203</u>	<u>3,250</u>
	<u>26,457</u>	<u>29,994</u>
<b>TOTAL SUPPORT SERVICES</b>	<u>\$ 243,084</u>	<u>\$ 212,116</u>

See accompanying independent auditor's report.