

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

**REPORT ON AUDIT OF BASIC FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION AND SINGLE AUDIT**

FOR THE YEAR ENDED SEPTEMBER 30, 2019

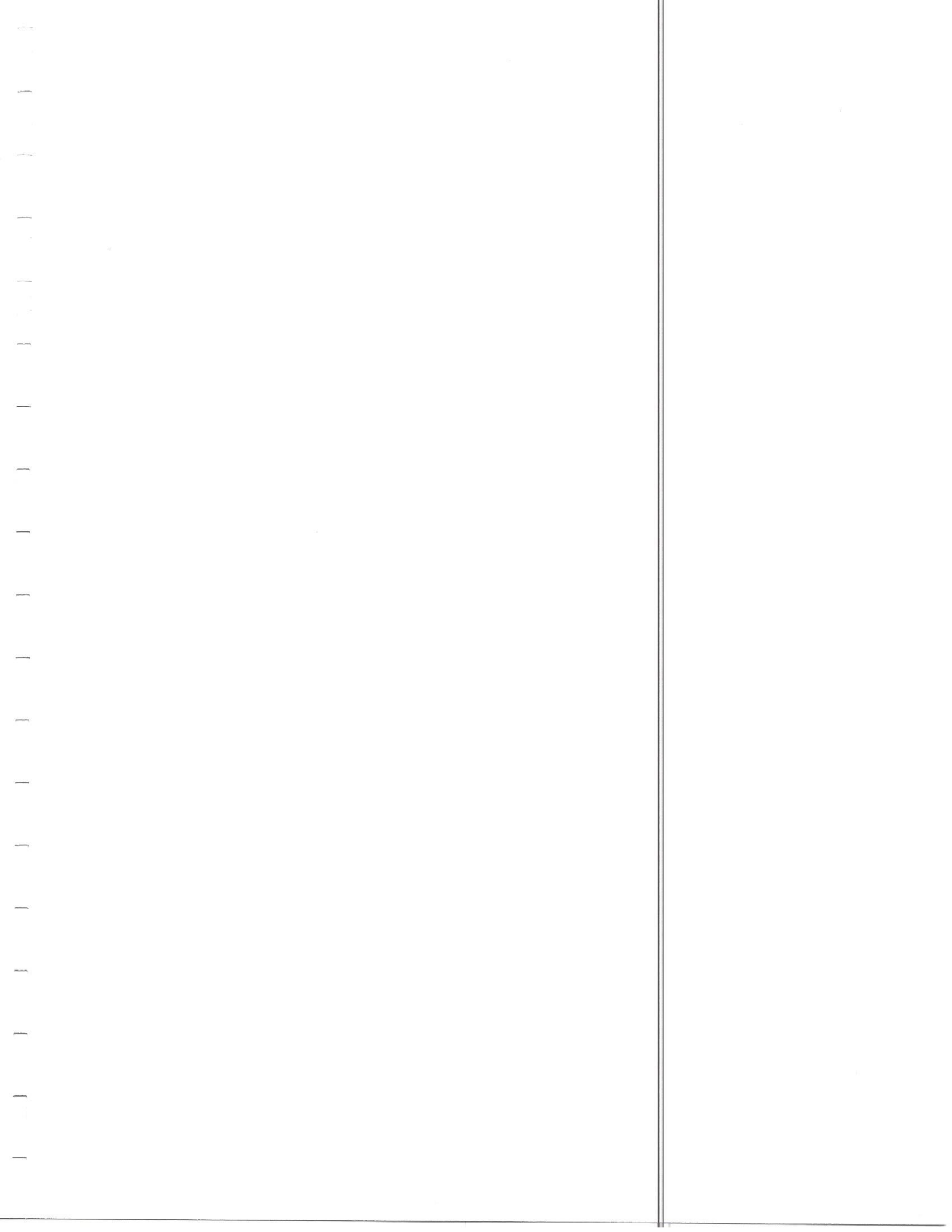


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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Dania Beach Housing Authority
Dania Beach, Florida

HUD, Miami Area Office
Office of Public Housing
909 S. E. First Avenue, Room 500
Miami, Florida 33131

Report on the Financial Statements

We have audited the accompanying financial statements of the Dania Beach Housing Authority ("the Authority") which include the statement of net position as of September 30, 2019 and the related statements of revenues, expenses and changes in net position, cash flows for the year then ended, 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 basic 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 basic 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 basic financial statements based on our audit. 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 *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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the basic 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 Authority'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 basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting Principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i-viii 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 do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), the Financial Data Schedule, and the other supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information referred to above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated July 31, 2020 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 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.



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
July 31, 2020

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Continued)

Financial Highlights

The following analysis focuses on the net position and the change in net position of the Authority as a whole and not the individual programs.

- Total net position of the Authority as of September 30, 2019 is \$1,865,038 (net position).
- The Authority's unrestricted net position as of September 30, 2019 was \$1,161,337 and restricted net position is \$186,488.
- The Authority's Total operating revenue was \$6,912,772 which consisted of \$6,063,624 in HUD subsidy and \$849,148 in other revenue.

Overview of Financial Statements

The basic financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- **Statement of Net Position** – reports the Authority's assets and liabilities at the end of the fiscal year and provides information about the nature and amounts of investment of resources and obligations to creditors.
- **Statement of Revenue, Expenses and Change in Net Position** – the results of activity over the course of the fiscal year. It details the costs associated with operating the facility and how those costs were funded. It also provides an explanation of the change in net position from the previous fiscal year end to the current fiscal year end.
- **Statement of Cash Flows** – reports the Authority's cash flows in and out from operating, investments and financing activities. It details the sources of the Authority's cash, what it was used for, and the change in cash over the course of the fiscal year.
- The basic financial statements also include notes that provide required disclosures and other information necessary to gather the full meaning of the material presented in the statements.

The attached analysis of entity wide net position, revenue, and expenses are detailed and provide a comprehensive portrayal of financial conditions and related trends. The analysis includes all assets and liabilities using the accrual basis of accounting. Our analysis of the Authority as a whole begins on the next page.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned regardless of when cash is received or paid.

Our analysis presents the Authority's net position which can be thought of as the difference between what the Authority owns (assets) to what the Authority owes (liabilities). The net position analysis will allow the reader to measure the health or financial position of the Authority.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Continued)

Overview of Financial Statements (Continued)

Comparative Statement of Net Position is as follows:

	September 30,		Variances
	2019	2018	
ASSETS			
Cash and cash equivalents, unrestricted	\$ 1,087,266	\$ 298,119	\$ 789,147
Cash and cash equivalents, restricted	186,488	136,516	49,972
Accounts receivable, net of allowances	60,359	53,317	7,042
Due from other governments	9,763	7,092	2,671
Prepaid expenses	13,970	12,917	1,053
Total current assets	1,357,846	507,961	849,885
Non-current assets			
Capital assets			
Not being depreciated	516,388	573,219	(56,831)
Depreciable, net	826	5,184	(4,358)
Total capital assets, net	517,214	578,403	(61,189)
Total assets	1,875,060	1,086,364	788,696
Deferred outflow of resources	-	-	-
Total Assets and Deferred Outflow of Resources	1,875,060	1,086,364	788,696
LIABILITIES			
Current liabilities			
Vendors and contractors payable	8,605	15,015	(6,410)
Accrued wages/ taxes payable	1,328	-	1,328
Accrued compensated absences	89	837	(748)
Total current liabilities	10,022	15,852	(5,830)
Notes and bonds payable	-	1,413	(1,413)
Accrued compensated absences - noncurrent	-	3,139	(3,139)
Total liabilities	10,022	20,404	(10,382)
Deferred inflow of resources	-	-	-
Total Liabilities and Deferred Inflow of Resources	10,022	20,404	(10,382)
NET POSITION			
Net investment in capital assets	517,213	578,403	(61,190)
Restricted	186,488	182,459	4,029
Unrestricted	1,161,337	305,098	856,239
Total net position	\$ 1,865,038	\$ 1,065,960	\$ 799,078

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Continued)

Overview of Financial Statements (Continued)

Comparative Statement of Revenues, Expenses and Changes in Net Position are as follows:

	September 30,		Variances
	2019	2018	
Operating revenue & expense			
Rental revenue	\$ -	\$ 96,635	\$ (96,635)
HUD grants	6,063,624	5,405,654	657,970
Other revenue	849,148	286,412	562,736
Total operating revenue	6,912,772	5,788,701	1,124,071
Operating expenses			
Administrative	549,061	439,122	109,939
Tenant services, other	-	446	(446)
Utilities	1,765	17,094	(15,329)
Ordinary maintenance and operation	92,106	127,031	(34,925)
Insurance	13,493	24,847	(11,354)
General expenses	98,392	79,159	19,233
Housing assistance payments	5,409,858	4,886,467	523,391
Depreciation	4,357	45,738	(41,381)
Total operating expenses	6,169,032	5,619,904	549,128
Operating gain (loss)	743,740	168,797	(574,943)
Nonoperating revenues (expenses)			
Interest revenue, unrestricted	19,895	681	19,214
Interest expense	(15)	-	(15)
Other expense	-	(178)	178
Fraud recovery	35,458	73,990	(38,532)
Extraordinary maintenance	-	(447,823)	447,823
Total nonoperating revenues (expenses)	55,338	(373,330)	428,668
Increase (decrease) in net position	799,078	(204,533)	1,003,611
Net position, beginning of year	1,065,960	1,270,493	(204,533)
Net position, end of year	\$ 1,865,038	\$ 1,065,960	\$ 799,078

The Authority had a net increase in operating revenue of \$1,124,071, a net increase in operating expenses of \$549,128 with 2019 experiencing a net operating gain of \$743,740. The Authority received an increase in Housing Assistance Payments revenue and an increase in housing assistance payments of \$523,391.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019
(Continued)

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding of 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
- Hurricane and other weather conditions

Contacting the Authority's Financial Management

Questions concerning any of the information provided in this report or request for additional information should be addressed to Anne Castro, Executive Director, Dania Beach Housing Authority, 1101 West Dania Beach Blvd, Suite 100, Dania Beach, FL 33004.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Operating revenues	
HUD grants	\$ 6,063,624
Other revenue	849,148
Total operating revenues	<u>6,912,772</u>
Operating expenses	
Administrative	549,061
Utilities	1,765
Ordinary maintenance & operation	92,106
Insurance	13,493
General expenses	98,392
Housing assistance payments	5,409,858
Depreciation	4,357
Total operating expenses	<u>6,169,032</u>
Operating income (loss)	<u>743,740</u>
Nonoperating revenues (expenses)	
Interest revenue, unrestricted	19,895
Interest expense	(15)
Fraud recovery	35,458
Total nonoperating revenues	<u>55,338</u>
Income (loss) before transfers	<u>799,078</u>
Transfers from (to) other programs or entities	<u>-</u>
Increase (decrease) in net position	<u>799,078</u>
Net position, beginning of year	<u>1,065,960</u>
Net position, end of year	<u><u>\$ 1,865,038</u></u>

The accompanying notes are an integral part of these basic financial statements.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(Continued)

**Reconciliation of Net Operating Income (Loss) to
Net Cash Provided (Used) By Operating Activities**

Operating income/(loss)	\$ 743,740
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:	
Depreciation elimination	4,357
Increase in accounts receivable	(7,042)
Increase in due to/from other governments	(2,830)
Increase in prepaid expenses	(1,053)
Decrease in accounts payable	(6,410)
Increase in accrued wages	1,328
Decrease in accrued compensated absences	(748)
Increase in accrued liabilities	(3,139)
Other revenue and expense reported as nonoperating	35,458
	<u>\$ 763,661</u>

The accompanying notes are an integral part of these basic financial statements.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

4. **Basis of Presentation and Accounting:** In accordance with uniform financial reporting standards for HUD housing programs, the basic financial statements are prepared in accordance with U. S. generally accepted accounting principles (GAAP).

Based upon compelling reasons offered by HUD, the Authority reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (Enterprise Fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net position categories:

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted - Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or they expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

5. **Budgets:** Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The Capital Fund budgets are adopted on a “project length” basis. Budgets are not, however, legally adopted nor legally required for basic financial statement presentation.
6. **Cash and Cash Equivalents:** For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable Certificates of Deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year.
7. **Interprogram Receivables and Payables:** Interprogram receivables/payables, when present, are all current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all interprogram balances net zero. Offsetting due to/due from balances are eliminated for the basic financial statement presentation.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

13. Capital Assets: (Continued)

- b. Depreciation:** The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

Depreciation commences on modernization and development additions in the year following completion.

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings	40 years
Building modernization	10 years
Furniture and equipment	3-7 years

- c. Maintenance and Repairs Expenditures:** Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$500 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.
- d. Impairment of long-lived assets:** The Authority reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the year ended September 30, 2019.
- 14. Compensated Absences:** Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Statement No. 16*. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.
- 15. Litigation Losses:** The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable, and the loss is reasonably estimable.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019
(Continued)

B - Deposits and Investments: (Continued)

2. Risk Disclosures

- a. Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase.

At September 30, 2019, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

- b. Credit Risk:** This is risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

- c. Custodial Credit Risk:** This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

The carrying amounts of the Authority's cash deposits were \$1,273,454 at September 30, 2019. Bank balances before reconciling items were \$1,286,950 at that date, the total amount of which was collateralized as Public Funds in the State of Florida.

C - Accounts Receivable:

Fraud Recovery – Section 8 Program	\$ 59,859
Other	<u>500</u>
	<u>\$ 60,359</u>

D - Due From Other Governments:

Other Public Housing Authorities	<u>\$ 9,763</u>
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E - Prepaid Expense:

Insurance	\$ 3,703
Other Service Contracts	<u>10,267</u>
	<u>\$ 13,970</u>

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019
(Continued)

- I - Other Post-Employment Benefits (OPEB):** In relation to its employee benefit programs, the Authority does not provide any Other Post-Employment Benefits, as outlined under GASB 45 or 75.
- J - Economic Dependency:** The Authority receives approximately 87% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's reserves could be adversely affected.
- K - Contingencies:** The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the year ended September 30, 2019.
- L - Schedule of Changes in Noncurrent Liabilities:**

	Balance at September 30, 2018		Year Ended September 30, 2019		Balance at September 30, 2019	
	Noncurrent Portion	Current Portion	Additions	Payments	Current Portion	Noncurrent Portion
Notes payable	\$ -	\$ 1,413	\$ -	\$ (1,413)	\$ -	\$ -
Accrued compensated absences	3,139	837	13,261	(17,148)	89	-
	<u>\$ 3,139</u>	<u>\$ 2,250</u>	<u>\$ 13,261</u>	<u>\$ (18,561)</u>	<u>\$ 89</u>	<u>\$ -</u>

- M - Conduit Type Debt:** Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of the Authority. Accordingly, this debt has not been recorded in the basic financial statements of the Authority. Additionally, HUD no longer provides debt service information to the Authority.
- N - Leasing Activities (as Lessor):** The Authority is the Lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.
- Revenues associated with these leases are recorded in the basic financial statements and schedules as "Rental Revenue". Rental Revenue per dwelling unit generally remains consistent from year to year but is affected by general economic conditions which impact personal income and local job availability.
- O - Interprogram Transfers:** The Authority will make cash transfers between its various programs as outlined in the Federal Regulations and authorized and approved by the Authority's Board of Commissioners. There were cash transfers made during the current fiscal year from the Capital Fund Program to the Low Rent Public Housing Program totaling \$80,311.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019
(Continued)

Q - Condensed Statement - Component Unit: As per GASB 61, the condensed combining information is provided on the component unit:

	Dania Beach Housing Authority	Component Unit Dania Beach Quality Housing Solutions, Inc.	Total
Condensed Statement of Net Position			
Current Assets	\$ 374,617	\$ 983,229	\$ 1,357,846
Capital Assets	517,214	-	517,214
Total Assets	891,831	983,229	1,875,060
Deferred Outflow of Resources	-	-	-
Total Assets and Deferred Outflow of Resources	891,831	983,229	1,875,060
Current Liabilities	9,723	299	10,022
Total Liabilities	9,723	299	10,022
Deferred Inflow of Resources	-	-	-
Total Liabilities and Deferred Inflow of Resources	9,723	299	10,022
Net Investment in Capital Assets	517,213	-	517,213
Restricted	186,488	-	186,488
Unrestricted	178,407	982,930	1,161,337
Total Net Position	\$ 882,108	\$ 982,930	\$ 1,865,038

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019
(Continued)

Q - Condensed Statement - Component Unit: (Continued)

	<u>Component Unit</u>		<u>Total</u>
	<u>Dania Beach Housing Authority</u>	<u>Dania Beach Quality Housing Solutions, Inc.</u>	
Condensed Statement of Cash Flows			
Net Cash Flows from(used)			
Operating Activities	\$ (16,358)	\$ 780,019	\$ 763,661
Net Cash Flows provided(used)			
Noncapital Financing Activities	(1,413)	-	(1,413)
Net Cash provided(used) by Capital and Related Financing Activities	56,975	-	56,975
Net Cash provided(used) by Investing Activities	439	19,457	19,896
Net increase in Cash and Cash Equivalents	39,643	799,476	839,119
Cash-Beginning of year	250,882	183,753	434,635
Cash-End of year	\$ 290,525	\$ 983,229	\$ 1,273,754

SUPPLEMENTAL INFORMATION

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	Total 2019
Operating revenues				
HUD grants	\$ 248,339	\$ 5,815,285	\$ -	\$ 6,063,624
Other revenue	1,261	20,887	827,000	849,148
Total operating revenues	249,600	5,836,172	827,000	6,912,772
Operating expenses				
Administrative	183,058	344,005	21,998	549,061
Utilities	883	882	-	1,765
Ordinary maintenance & operation	85,900	1,560	4,646	92,106
Insurance	4,820	8,673	-	13,493
General expenses	88,993	9,399	-	98,392
Housing assistance payments	-	5,409,858	-	5,409,858
Depreciation	-	4,357	-	4,357
Total operating expenses	363,654	5,778,734	26,644	6,169,032
Operating income (loss)	(114,054)	57,438	800,356	743,740
Nonoperating revenues (expenses)				
Interest revenue, unrestricted	96	342	19,457	19,895
Interest expense	-	(15)	-	(15)
Fraud recovery	-	35,458	-	35,458
Total nonoperating revenues	96	35,785	19,457	55,338
Income (loss) before transfers	(113,958)	93,223	819,813	799,078
Transfers from (to) other programs or entities	20,636	-	(20,636)	-
Increase (decrease) in net position	(93,322)	93,223	799,177	799,078
Net position, beginning of year	682,151	200,056	183,753	1,065,960
Net position, end of year	\$ 588,829	\$ 293,279	\$ 982,930	\$ 1,865,038

176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$496,298	\$20,916	\$0	\$517,214	\$517,214
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$590,023	\$301,808	\$983,229	\$1,875,060	\$1,875,060
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$850	\$7,456	\$299	\$8,605	\$8,605
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$255	\$1,073		\$1,328	\$1,328
322 Accrued Compensated Absences - Current Portion	\$89			\$89	\$89
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					
348 Loan Liability - Current					
310 Total Current Liabilities	\$1,194	\$8,529	\$299	\$10,022	\$10,022
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					
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0
300 Total Liabilities	\$1,194	\$8,529	\$299	\$10,022	\$10,022
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$496,298	\$20,916	\$0	\$517,214	\$517,214
511.4 Restricted Net Position	\$0	\$186,488	\$0	\$186,488	\$186,488
512.4 Unrestricted Net Position	\$92,531	\$85,875	\$982,930	\$1,161,336	\$1,161,336
513 Total Equity - Net Assets / Position	\$588,829	\$293,279	\$982,930	\$1,865,038	\$1,865,038
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$590,023	\$301,808	\$983,229	\$1,875,060	\$1,875,060

93100 Water					
93200 Electricity	\$883	\$882		\$1,765	\$1,765
93300 Gas					
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$883	\$882	\$0	\$1,765	\$1,765
94100 Ordinary Maintenance and Operations - Labor	\$57,992		\$4,316	\$62,308	\$62,308
94200 Ordinary Maintenance and Operations - Materials and Other	\$36	\$810		\$846	\$846
94300 Ordinary Maintenance and Operations Contracts	-\$505	\$750		\$245	\$245
94500 Employee Benefit Contributions - Ordinary Maintenance	\$28,377		\$380	\$28,707	\$28,707
94000 Total Maintenance	\$85,900	\$1,560	\$4,646	\$92,106	\$92,106
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance		\$832		\$832	\$832
96120 Liability Insurance	\$1,102	\$3,102		\$4,204	\$4,204
96130 Workmen's Compensation	\$3,159	\$4,739		\$7,898	\$7,898
96140 All Other Insurance	\$559			\$559	\$559
96100 Total insurance Premiums	\$4,820	\$8,673	\$0	\$13,493	\$13,493
96200 Other General Expenses	\$84,592			\$84,592	\$84,592
96210 Compensated Absences	\$4,401	\$9,399		\$13,800	\$13,800
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$88,993	\$9,399	\$0	\$98,392	\$98,392
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)		\$15		\$15	\$15
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$15	\$0	\$15	\$15
96900 Total Operating Expenses	\$363,654	\$364,534	\$26,644	\$754,832	\$754,832
97000 Excess of Operating Revenue over Operating Expenses	-\$113,958	\$5,507,438	\$819,813	\$6,213,293	\$6,213,293
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$5,395,823		\$5,395,823	\$5,395,823
97350 HAP Portability-In		\$14,035		\$14,035	\$14,035
97400 Depreciation Expense		\$4,357		\$4,357	\$4,357

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Federal Grantor:

<u>CFDA Number</u>	<u>Program Title</u>	<u>Pass Through Entity</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
	Housing Choice Voucher Cluster		
14.871	Housing Choice Voucher Program	NA	\$ 5,815,285
14.871	Housing Choice Voucher-Pass thru	Other PHA's	14,611
	Total Housing Choice Voucher Cluster		<u>5,829,896</u>
14.872	Capital Fund Program	NA	80,311
14.850	Low Rent Public Housing	NA	168,028
	Total U.S. Department of HUD		<u>6,078,235</u>
	Total Federal Awards Expenditures		<u>\$ 6,078,235</u>

Notes to the Schedule of Expenditures of Federal Awards

A. Basis of Accounting

This schedule is prepared on the accrual basis of accounting.

B. Basis of Presentation

The accompanying Schedule of Federal Awards (the Schedule) includes the federal grant activity of the Authority under programs of the federal government for the year ended September 30, 2019. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Title 2 CFR, Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards". 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.

C. Other Matters - Indirect Costs

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

D. Reconciliation of Total Federal Awards Expenditures to Financial Data Schedule

FDS line 706	HUD PHA Grants	\$ 6,063,624
FDS line 715	HCVP other income	20,887
	Less: nonfederal portion	<u>(6,276)</u>
		<u>\$ 6,078,235</u>

SINGLE AUDIT SECTION

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**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
Dania Beach Housing Authority
Dania Beach, Florida

HUD, Miami Area Office
Office of Public Housing
909 S. E. First Avenue, Room 500
Miami, Florida 33131

We have audited, in accordance with 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 basic financial statements of Dania Beach Housing Authority ("the Authority"), which include the statement of net position as of September 30, 2019, and the related statements of revenue, expenses and changes in net position, cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon July 31, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the 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.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of 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 determination of financial statement amounts. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Authority in a separate letter dated July 31, 2020.

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 Authority'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.



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
July 31, 2020

MALCOLM JOHNSON & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE**

Board of Commissioners
Dania Beach Housing Authority
Dania Beach, Florida

HUD, Miami Area Office
Office of Public Housing
909 S. E. First Avenue, Room 500
Miami, Florida 33131

Report on Compliance for Each Major Program

We have audited Dania Beach 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 September 30, 2019. 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 the requirements of laws, regulations, contracts and grants 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 Title 2 U.S. *Code of Federal Regulations (CFR) 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 compliance requirements referred to above that could have a 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 program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major 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 September 30, 2019.

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 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 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.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirements of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

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 our testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
July 31, 2020

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

SECTION I - SUMMARY OF AUDITORS' RESULTS

Basic Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
~ Material weakness(es) identified?	No
~ Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to basic financial statements noted?	No

Federal Awards

Internal control over major programs:	
~ Material weakness(es) identified?	No
~ Significant deficiency(s) identified that are not considered to be material weakness(es)?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)?	No

Identification of major programs:

CFDA Number	Name of Federal Program
14.871	Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

There were no prior audit findings.