

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, 2018

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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, 2018 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, 2018, 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

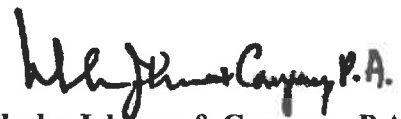
Accounting Principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i-vii be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 May 28, 2019 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
May 28, 2019

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018

As management of the Dania Beach Housing Authority ("the Authority"), we offer the readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements.

Financial Highlights

- Total net position of the Authority as of September 30, 2018 is \$1,065,960 (net position).
- The Authority's unrestricted net position as of September 30, 2018 is \$305,098 and restricted net position is \$182,459.
- The Authority's Total operating revenue was \$5,788,701 which consisted of intergovernmental revenues of \$5,405,654 in HUD PHA grants, tenant revenues of \$96,635 and \$286,412 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, 2018
(Continued)

Overview of Financial Statements (Continued)

Over time, significant changes in the Authority's net position is an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets.

At FYE 2018, total net position was \$1,065,960; Total current assets were \$507,961, and total capital net assets were \$578,403.

In addition, total liabilities were \$20,404 at the end of FYE 2018.

Net Position – The difference between an organization's assets and its liabilities equals its net position. There are three categories to classify Net position and they are the following:

Net investment in capital assets – Capital assets, net of accumulated depreciation and reduced by debt attributable to the acquisition of those assets;

Restricted –net position whose use is subject to constraints imposed by law or agreement;

Unrestricted – net position that is neither invested in capital assets nor restricted.

Comparative Statement of Net Position is as follows:

Assets

	September 30,		
	2018	2017	Variances
Assets			
Cash and other assets	\$ 507,961	\$ 312,555	\$ 195,406
Capital assets - net	578,403	1,007,078	(428,675)
Total assets	1,086,364	1,319,633	(233,269)
Total liabilities	20,404	49,140	(28,736)
Net Position	1,065,960	1,270,493	(204,533)
Net investment in capital assets	578,403	1,007,078	(428,675)
Unrestricted net position	305,098	171,203	133,895
Restricted net position	182,459	92,212	90,247
Total net position	\$ 1,065,960	\$ 1,270,493	\$ (204,533)

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(Continued)

Overview of Financial Statements (Continued)

Cash and other assets increased by \$195,406, representing a 38.47% increase from the prior fiscal year. There was a decrease in overall operating expenses of \$80,644 and an increase in other revenue of \$184,070.

There was an increase in net accounts receivable of \$36,553. The decrease of \$428,675 in net capital assets is attributed to addition of construction in progress of \$66,465, buildings and improvements deletion of \$1,882,330, equipment additions of \$1,000, equipment deletions of \$225,435, and net accumulated depreciation of \$45,738 and net accumulated depreciation deletions of \$1,657,363.

At FYE 2018, the Authority has long term debt of \$1,413 related to capital assets.

There was a decrease in liabilities of \$28,736, due to an increase of \$1,117 in vendors and contractors payable, decrease of \$11,817 in accrued wages/taxes payable, increase of \$217 in accrued compensated absences, decrease in unearned revenue of \$767, decrease of bonds and notes payable \$2,682, decrease in resident security deposits of \$14,098, and a increase of noncurrent liabilities –accrued compensated absences - of \$706.

This schedule reflects a decrease in total net position of \$204,533.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(Continued)

Overview of Financial Statements (Continued)

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

	September 30,		Variances
	2018	2017	
Operating revenue & expense			
Rental revenue	\$ 96,635	\$ 90,602	\$ 6,033
HUD grants	5,405,654	5,457,721	(52,067)
Other revenue	286,412	102,342	184,070
Total operating revenue	5,788,701	5,650,665	138,036
Operating expenses			
Administrative	439,122	480,071	(40,949)
Tenant services, other	446	1,915	(1,469)
Utilities	17,094	11,496	5,598
Ordinary maintenance and operation	127,031	130,243	(3,212)
Insurance	24,847	22,868	1,979
General expenses	79,159	75,154	4,005
Housing assistance payments	4,886,467	4,919,530	(33,063)
Depreciation	45,738	59,271	(13,533)
Total operating expenses	5,619,904	5,700,548	(80,644)
Operating loss	168,797	(49,883)	(218,680)
Nonoperating revenues (expenses)			
Interest revenue	681	446	235
Other expense	(178)	(395)	217
Fraud recovery	73,990	18,968	55,022
Extraordinary maintenance	(447,823)	(17,745)	(430,078)
Total nonoperating revenues (expenses)	(373,330)	1,274	(374,604)
Increase (decrease) in net position	(204,533)	(48,609)	(155,924)
Net position, beginning of year	1,270,493	1,319,102	(48,609)
Net position, end of year	\$ 1,065,960	\$ 1,270,493	\$ (204,533)

The Authority had a net increase in revenue of \$138,036, a net decrease in expenses of \$80,644 with 2018 experiencing a net gain of \$168,797. The Authority received a decrease in Housing Assistance Payments revenue of \$27,161 and a decrease in administrative fees of \$24,906 from the amount received in 2017. There was a decrease in housing assistance payments of \$33,063.

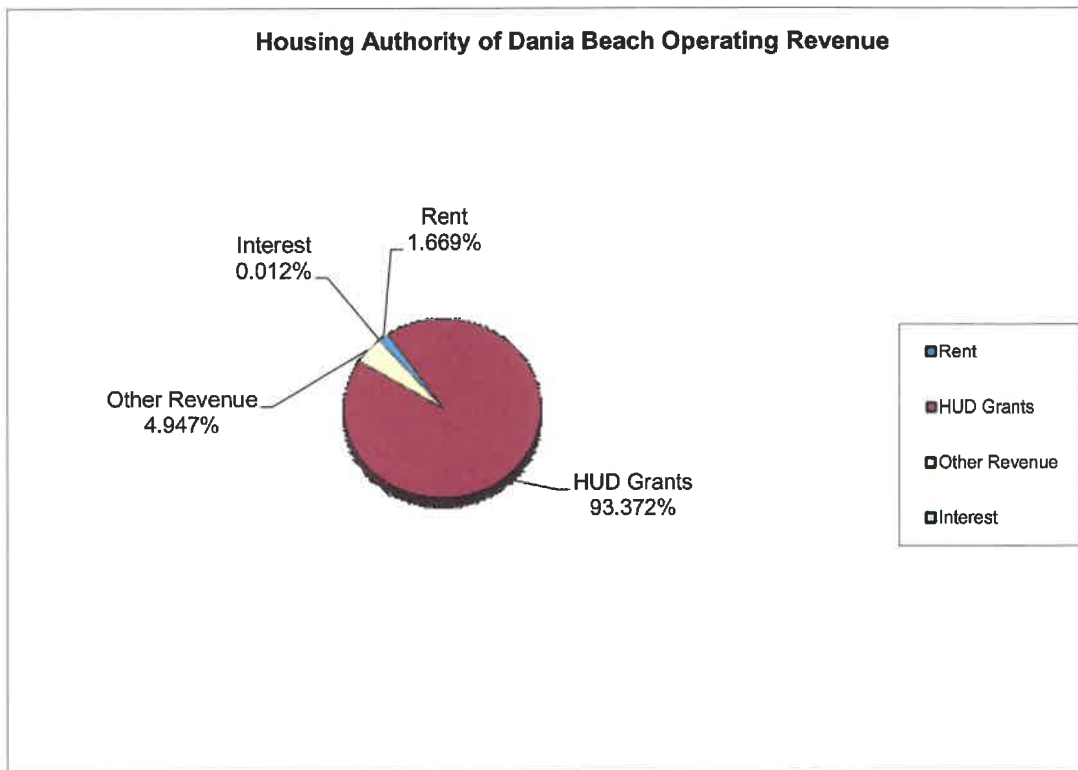
DANIA BEACH HOUSING AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(Continued)

Overview of Financial Statements (Continued)

Administrative expenses decreased by \$40,949 mostly due to a decrease in salaries of \$57,873, an increase in legal of \$7,987, a decrease in employee benefits of \$3,411, an increase in office expense of \$17,873 and decrease of \$4,850 in audit fees. Tenant services decreased by \$1,469, utilities increased by \$5,598, ordinary maintenance and operations decreased by \$3,212, insurance increased by \$1,979, and total general expenses increased by \$4,005.

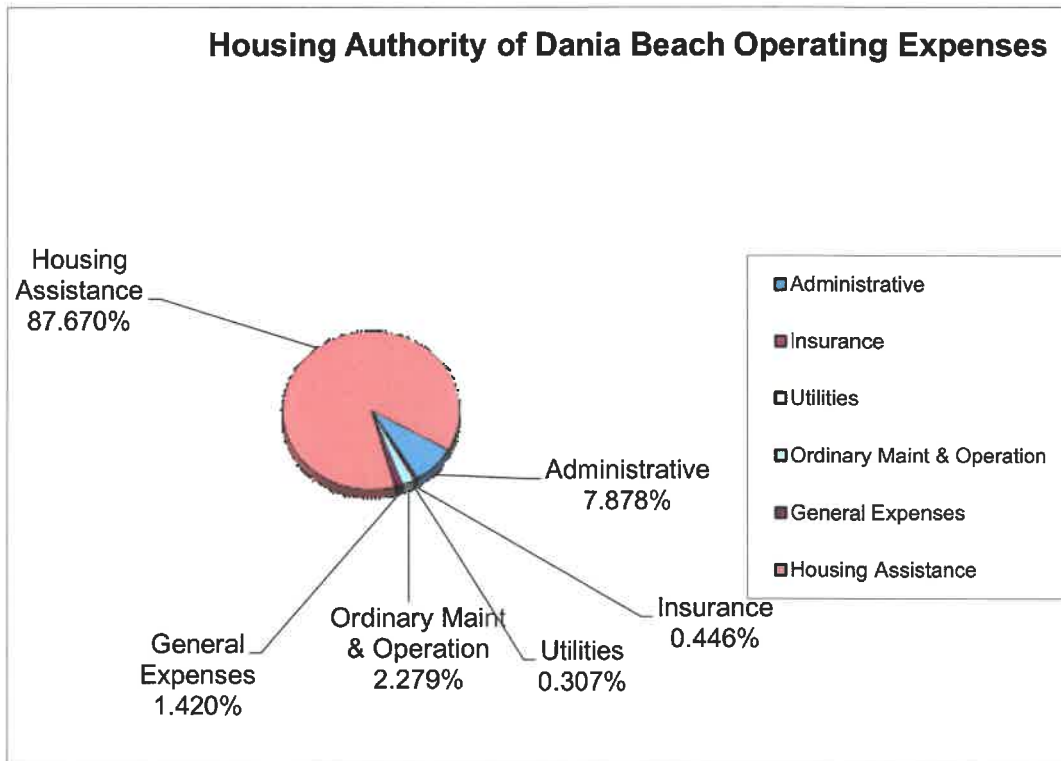
There was an increase in tenant revenue of \$6,033. This increase is due to the employment trends in the area. There was a decrease in the overall cost of operations. There was a decrease in housing assistance payments of .0067%. In FYE 2018, total revenue was \$5,788,701 while total operating expenses were \$5,619,904. This contributed to an increase in net position of \$168,797.



DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(Continued)

Overview of Financial Statements (Continued)



Governmental Funds

Many of the programs maintained by the Authority are required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

Authority's Programs

- PHA Owned Housing – Low Income Public Housing (CFDA #14.850)
- Capital Fund Program (CFDA #14.872)
- Housing Choice Voucher Program (CFDA #14.871)

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2018
(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.

Capital Asset and Debt Activity

There were \$1,000 in fixed asset purchases for the 2018 year. There were \$1,882,330 in buildings and improvement disposals and \$225,435 in equipment disposals. Depreciation for the year was \$45,738. Total net capital assets decreased by \$428,675.

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, 4101 Ravenswood Road, Suite 320., Fort Lauderdale, Florida 33312.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Total	Discretely Presented Component Unit
ASSETS		
Current Assets		
Cash and cash equivalents, unrestricted	\$ 114,366	\$ 183,753
Cash and cash equivalents, restricted	136,516	-
Accounts receivable, net of allowance	53,317	-
Due from other governments	7,092	-
Prepaid expense	12,917	-
Total current assets	324,208	183,753
Noncurrent assets		
Capital assets		
Not being depreciated	573,219	-
Depreciable, net	5,184	-
Total capital assets, net	578,403	-
Total assets	902,611	183,753
Deferred Outflow of Resources	-	-
Total Assets and Deferred Outflow of Resources	902,611	183,753
LIABILITIES		
Current liabilities		
Vendors and contractors payable	15,015	-
Accrued compensated absences	837	-
Notes and bonds payable	1,413	-
Total current liabilities	17,265	-
Noncurrent liabilities		
Accrued compensated absences	3,139	-
Total liabilities	-	-
Deferred Inflow of Resources	-	-
Total Liabilities and Deferred Inflow of Resources	20,404	-
NET POSITION		
Net investment in capital assets	578,403	-
Restricted	182,459	-
Unrestricted	121,345	183,753
Total net position	\$ 882,207	\$ 183,753

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

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Total 2018	Discretely Presented Component Unit
Operating revenues		
Rental revenue	\$ 96,635	\$ -
HUD grants	5,405,654	-
Other revenue	123,412	163,000
Total operating revenues	5,625,701	163,000
Operating expenses		
Administrative	439,092	30
Tenant services	446	-
Utilities	17,094	-
Ordinary maintenance & operation	127,031	-
Insurance	24,847	-
General expenses	79,159	-
Housing assistance payments	4,886,467	-
Depreciation	45,738	-
Total operating expenses	5,619,874	30
Operating income (loss)	5,827	162,970
Nonoperating revenues (expenses)		
Interest revenue, unrestricted	534	147
Interest expense	(178)	-
Fraud recovery	73,990	-
Gain/(loss) on disposition of capital assets	(447,823)	-
Total nonoperating revenues	(373,477)	147
Income (loss) before transfers	(367,650)	163,117
Transfers from (to) other programs or entities	(20,636)	20,636
Increase (decrease) in net position	(388,286)	183,753
Net position, beginning of year	1,270,493	-
Net position, end of year	\$ 882,207	\$ 183,753

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, 2018

	Total 2018	Discretely Presented Component Unit
Cash Flows From Operating Activities		
Receipts from dwelling rentals	\$ 82,601	\$ -
Operating grants	5,405,654	-
Other receipts	157,595	163,000
Payments to employees and suppliers	(691,067)	(30)
Payments to landlords and residents	(4,886,913)	-
Interprogram transfers	(20,636)	20,636
Net cash provided (used) by operating activities	47,234	183,606
Cash Flows From Noncapital Financing Activities		
Principal paid on operating debt	(4,095)	-
Net cash provided (used) by noncapital financing activities	(4,095)	-
Cash Flows From Capital and Related Financing Activities		
Purchases of capital assets	(67,465)	-
Gain or loss on disposition of capital assets	2,580	-
Interest paid on capital debt	(178)	-
Net cash provided (used) by capital and related financing activities	(65,063)	-
Cash Flows From Investing Activities		
Interest	534	147
Net cash provided (used) by investing activities	534	147
Net increase (decrease) in cash and cash equivalents	(21,390)	183,753
Balance - beginning of the year	272,963	-
Balance - end of the year	\$ 251,573	\$ 183,753
Reconciliation of Cash Flows to Statement of Net Position		
Cash and cash equivalents, unrestricted	\$ 114,366	\$ 183,753
Cash and cash equivalents, restricted	136,516	-
	\$ 250,882	\$ 183,753

There are no non-cash transactions.

DANIA BEACH HOUSING AUTHORITY

Dania Beach, Florida

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(Continued)**

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

	<u>Total 2018</u>	<u>Discretely Presented Component Unit</u>
Operating income/(loss)	\$ 5,827	\$ 162,970
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Depreciation elimination	45,738	-
Increase in accounts receivable	(36,553)	-
Increase in due to/from other governments	(3,025)	-
Increase in due to/from other programs	7,630	-
Increase in prepaid expenses	(1,863)	-
Decrease in security deposits	(14,098)	-
Increase in accounts payable	1,117	-
Decrease in accrued wages	(11,817)	-
Increase in accrued compensated absences	217	-
Increase in accrued liabilities	707	-
Other revenue and expense reported as nonoperating	73,990	-
Equity transfers in	(20,636)	20,636
	<u>\$ 47,234</u>	<u>\$ 183,606</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, 2018

A - Summary of Significant Accounting Policies and Organization:

1. **Organization:** Dania Beach Housing Authority (“the Authority”) is a public body corporate and politic pursuant to Chapter 421 Laws of the State of Florida which was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD) and other federal agencies.
2. **Reporting Entity:** In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14, (amended) of the Governmental Accounting Standards Board: The Financial Reporting Entity*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity has the following component unit: the Dania Beach Quality Housing Solutions, Inc.

The basic financial statements of the Authority consist primarily of Low Rent Housing under Annual Contributions Contract A-4299 and Section 8 Housing Assistance Programs under Annual Contributions Contract A-3398.

3. **Summary of HUD and Other Authority Programs:** The accompanying basic financial statements consist of the activities of the housing programs subsidized by HUD and Authority owned entities. A summary of each of these programs is provided below.

a. Annual Contributions Contract A-4299

- 1) **Low Rent Public Housing:** This type of housing consists of apartments and single-family dwellings owned and operated by the Authority. Funding is provided by tenant rent payments and subsidies provided by HUD.
- 2) **Modernization and Development:** Substantially all additions to land, buildings, and equipment are accomplished through the Capital Fund Program. These programs add to, replace or materially upgrade deteriorated portions of the Authority's housing units. Funding is provided through programs established by HUD.

b. Annual Contributions Contract A-3398 - Housing Assistance Payments Programs

Housing Choice Vouchers: This is a housing program wherein low rent tenants lease housing units directly from private landlords rather than through the Authority. The Authority contracts with private landlords to make assistance payments for the difference between the approved contract rent and the actual rent paid by the low rent tenants.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(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, 2018
(Continued)

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

- 8. Investments:** Investments, when present, are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority's agent in the Authority's name. It is the Authority's policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Florida
- 9. Inventories:** Inventories (consisting of materials and supplies) are valued at cost using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. In accordance with the consumption method, inventory is expensed when items are actually placed in service.
- 10. Prepaid Items:** Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.
- 11. Use of Estimates:** The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
- 12. Fair Value of Financial Instruments:** The carrying amount of the Authority's financial instruments at September 30, 2018, including cash, investments, accounts receivable, and accounts payable closely approximates fair value.
- 13. Capital Assets:**
 - a. Book Value:** All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

Land values were derived from development closeout documentation.

Donated fixed assets are recorded at their fair value at the time they are received.

Donor imposed restrictions are deemed to expire as the asset depreciates.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(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, 2018.

- 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, 2018
(Continued)

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

16. Annual Contribution Contracts: Annual Contribution contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.

17. Risk Management: The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance, general liability, fire and extended coverage, fidelity bond, automobile, and Director and Officers liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

The Authority participates in public entity risk pool (Housing Authority Risk Retention Group) for general liability and Director and Officers liability. Settled claims resulting from these risks have not exceeded risk pool coverage in any of the past three fiscal years. Rights and responsibilities of the Authority and the pool are contained within the pool agreement and the scope of coverage documents.

18. Use of Restricted Assets: It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

19. Operating Revenues and Expenses: The principal operating revenues of the Authority's enterprise fund are charges to customers for rents and services. Operating expenses for the Authority's enterprise fund include the cost of providing housing and services, administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

B - Deposits and Investments: 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.

1. HUD Deposit and Investment Restrictions

HUD requires authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(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, 2018, 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 \$434,635 at September 30, 2018. Bank balances before reconciling items were \$445,485 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	\$ 52,517
Other	800
	<u>\$ 53,317</u>

D - Due From Other Governments:

U.S. Department of Housing and Urban Development (HUD)	\$ 159
Other Public Housing Authorities	6,933
	<u>\$ 7,092</u>

E - Prepaid Expense:

Insurance	\$ 6,718
Other Service Contracts	6,199
	<u>\$ 12,917</u>

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)

F - Land, Buildings and Equipment:

	Balance September 30, 2017	Additions	Deletions	Balance September 30, 2018
Not being depreciated:				
Land	\$ 497,216	\$ -	\$ -	\$ 497,216
Construction in progress	9,538	66,465	-	76,003
Total not being depreciated	506,754	66,465	-	573,219
Depreciable:				
Buildings & improvements	1,882,330	-	(1,882,330)	-
Accumulated depreciation	(1,392,880)	(39,607)	1,432,487	-
Net buildings & improvements	489,450	(39,607)	(449,843)	-
Equipment	274,897	1,000	(225,435)	50,462
Accumulated depreciation	(264,023)	(6,131)	224,876	(45,278)
Net equipment	10,874	(5,131)	(559)	5,184
Net depreciable assets	500,324	(44,738)	(450,402)	5,184
TOTAL	\$ 1,007,078	\$ 21,727	\$ (450,402)	\$ 578,403

G - Annual Contributions by Federal Agencies:

Annual Contributions Contract A-4299 - Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. HUD operating subsidy contributions for the year ended September 30, 2018 were \$146,642. HUD also contributed additional funds for modernization and operations in the amount of \$32,558 for the year ended September 30, 2018.

Annual Contributions Contract A-3398 - Section 8 programs provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by a participating family and related administrative expense. HUD contributions for the year ended September 30, 2018, were \$5,332,709.

H - Defined Contribution Pension Plan: The Authority provides pension benefits for all its full-time employees through a defined contribution plan entitled "The Housing Renewal and Local Agency Retirement Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Board of Commissioners for the Authority is authorized to establish and amend plan benefits. Employees are eligible to participate from the date of employment. The Authority contributes 9% to 14% of the employee's base salary each month, while the employee contributes 1%. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after five (5) years of continuous service, or until age 65, whichever is first. Authority contributions for, and interest forfeited by, employees who leave employment before vesting are used to reduce the Authority's current-period contribution requirement.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)

H - Defined Contribution Pension Plan (Continued)

The Authority's total payroll in fiscal year 2018 was \$314,584. The Authority's and employee's contributions were calculated using the \$249,775. The Authority and the employees made the required contributions amounting to \$32,839 and \$2,806 respectively.

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 99% 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, 2018.

L - Long-Term Debt:

Lease Purchase Note Payable

Note payable through a Lending Institution of \$1,413 at September 30, 2018 consist of note issued in the amount of \$11,932 during the audit period and retirements in the amount of \$10,519, with the following annual principal reduction contributions of \$1,413.

The above Note is secured by the equipment under signed Lease Purchase Agreement.

The outstanding balance of Note Payable at September 30, 2018 was \$1,413. The note is payable annually in the amounts and at the interest rate listed below:

<u>September 30,</u> 2019	<u>Amount</u>	<u>Interest Rate</u>
	<u>\$ 1,413</u>	5.17%
Less Current Portion	<u>1,413</u>	
	<u>\$ -</u>	

Interest expense for the year ended September 30, 2018 was \$178. There was no capitalized interest expense for the year ended September 30, 2018.

The debt is secured by the property under Lease Purchase in conjunction with the above financing as reported above.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)

M - Schedule of Changes in Noncurrent Liabilities:

	Balance at		Year Ended		Balance at	
	September 30, 2017		September 30, 2018		September 30, 2018	
	Noncurrent Portion	Current Portion	Additions	Payments	Current Portion	Noncurrent Portion
Notes payable	\$ 1,413	\$ 4,095	\$ -	\$ (4,095)	\$ 1,413	\$ -
Accrued compensated absences	2,432	620	11,623	(10,699)	837	3,139
	<u>\$ 3,845</u>	<u>\$ 4,715</u>	<u>\$ 11,623</u>	<u>\$ (14,794)</u>	<u>\$ 2,250</u>	<u>\$ 3,139</u>

N - 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.

O - 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.

P - 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 \$32,558.

Q - Subsequent Events: Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through the Date of the Independent Auditors Report and concluded that no subsequent events have occurred that would require recognition in the Financial Statements other than the following disclosures for informational purposes as set out below.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)

Q - Subsequent Events: (Continued)

Effective November 8, 2018, the Authority and the Master Developer intend to revitalize and rebuild Saratoga Crossings in an economical and high-quality manner. The parties intend to develop approximately one hundred sixty-nine (169) units of family and elderly rental housing for households with income no greater than 60% of the Area Median Income (“AMI”), and three (3) units of market rate rental housing with no income restriction. The foregoing revitalization activities and other site and related improvements are collectively referred to as the “Development”. The parties anticipate developing the Development into phases (each, a “Phase”), with Phase I consisting of one hundred twenty-eight (128) family rental housing units and Phase II consisting of 44 elderly rental housing units

The Authority has entered into a ground lease with respect to each Phase of the Development with an Owner Entity for such Phase that will develop, construct, own and operate affordable housing at the Development. The Master Developer shall obtain sources of debt and equity funding and grants and loans from public and/or private sources.

R - 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 Housing Quality Solutions	Total
Condensed Statement of Net Position			
Current Assets	\$ 324,208	\$ 183,753	\$ 507,961
Capital Assets	578,403	-	578,403
Total Assets	902,611	183,753	1,086,364
Deferred Outflow of Resources	-	-	-
Total Assets and Deferred Outflow of Resources	902,611	183,753	1,086,364
Current Liabilities	17,265	-	17,265
Noncurrent Liabilities	3,139	-	3,139
Total Liabilities	20,404	-	20,404
Deferred Inflow of Resources	-	-	-
Total Liabilities and Deferred Inflow of Resources	20,404	-	20,404
Net Investment in Capital Assets	578,403	-	578,403
Restricted	182,459	-	182,459
Unrestricted	121,345	183,753	305,098
Total Net Position	\$ 882,207	\$ 183,753	\$ 1,065,960

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018
(Continued)

R - Condensed Statement - Component Unit:

Condensed Statement of Revenues, Expenses and Changes in Net Position

Operating Revenues	<u>\$ 5,788,701</u>	<u>\$ -</u>	<u>\$ 5,788,701</u>
Operating Expenses			
Operating Expense	5,574,166	-	5,574,166
Depreciation Expense	45,738	-	45,738
Total Operating Expenses	<u>5,619,904</u>	<u>-</u>	<u>5,619,904</u>
Nonoperating Revenue(Expense)			
Nonoperating Revenue-Other	(88,476)	163,147	74,671
Nonoperating Expense-Other	(448,031)	30	(448,001)
Federal Operating Grants	-	-	-
Total Nonoperating Revenue(Expense)	<u>(536,507)</u>	<u>163,177</u>	<u>(373,330)</u>
Transfers, Capital Contributions and Extraordinary Items	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(367,710)</u>	<u>163,177</u>	<u>(204,533)</u>
Transfers from(to) other entities	<u>-</u>	<u>20,631</u>	<u>-</u>
Net Position, beginning of year	<u>1,270,493</u>	<u>-</u>	<u>1,270,493</u>
Net Position, end of year	<u>\$ 902,783</u>	<u>\$ 183,808</u>	<u>\$ 1,065,960</u>

**Dania Beach
Housing
Authority**

**Dania Beach
Housing Quality
Solutions**

Total

Condensed Statement of Cash Flows

Net Cash Flows from(used) Operating Activities	\$ 46,544	\$ 183,606	\$ 230,150
Net Cash Flows provided(used) Noncapital Financing Activities	(4,095)	-	(4,095)
Net Cash provided(used) by Capital and Related Financing Activities	(65,063)	-	(65,063)
Net Cash provided(used) by Investing Activities	680	-	680
Net increase in Cash and Cash Equivalentrs	<u>(21,934)</u>	<u>183,606</u>	<u>161,672</u>
Cash-Beginning of year	<u>272,963</u>	<u>-</u>	<u>272,963</u>
Cash-End of year	<u>\$ 251,029</u>	<u>\$ 183,606</u>	<u>\$ 434,635</u>

SUPPLEMENTAL INFORMATION

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

COMBINING SCHEDULE OF NET POSITION
SEPTEMBER 30, 2018

	Project Total	14.871 Housing Choice Vouchers	Eliminations	Total	Discretely Presented Component Unit
ASSETS					
Current Assets					
Cash and cash equivalents, unrestricted	\$ 114,366	\$ -	\$ -	\$ 114,366	\$ 183,753
Cash and cash equivalents, restricted	-	136,516	-	136,516	-
Accounts receivable, net of allowance	-	53,317	-	53,317	-
Due from other governments	159	6,933	-	7,092	-
Due from/to other programs	18,611	-	(18,611)	-	-
Prepaid expense	378	12,539	-	12,917	-
Total current assets	133,514	209,305	(18,611)	324,208	183,753
Noncurrent assets					
Capital assets					
Not being depreciated	553,129	20,090	-	573,219	-
Depreciable, net	-	5,184	-	5,184	-
Total capital assets, net	553,129	25,274	-	578,403	-
Total assets	686,643	234,579	(18,611)	902,611	183,753
Deferred Outflow of Resources	-	-	-	-	-
Total Assets and Deferred Outflow of Resources	686,643	234,579	(18,611)	902,611	183,753
LIABILITIES					
Current liabilities					
Vendors and contractors payable	4,004	11,011	-	15,015	-
Accrued compensated absences	488	349	-	837	-
Due to other programs	-	18,611	(18,611)	-	-
Notes and bonds payable	-	1,413	-	1,413	-
Total current liabilities	4,492	31,384	(18,611)	17,265	-
Noncurrent liabilities					
Accrued compensated absences	-	3,139	-	3,139	-
Total liabilities	-	-	-	-	-
Deferred Inflow of Resources	-	-	-	-	-
Total Liabilities and Deferred Inflow of Resources	4,492	34,523	(18,611)	20,404	-
NET POSITION					
Net investment in capital assets	553,129	25,274	-	578,403	-
Restricted	-	182,459	-	182,459	-
Unrestricted	129,022	(7,677)	-	121,345	183,753
Total net position	\$ 682,151	\$ 200,056	\$ -	\$ 882,207	\$ 183,753

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Project Total	14.871 Housing Choice Vouchers	Eliminations	Total 2018	Discretely Presented Component Unit
Operating revenues					
Rental revenue	\$ 96,635	\$ -	\$ -	\$ 96,635	\$ -
HUD grants	179,200	5,226,454	-	5,405,654	-
Other revenue	4,568	118,844	-	123,412	163,000
Total operating revenues	280,403	5,345,298	-	5,625,701	163,000
Operating expenses					
Administrative	52,839	386,253	-	439,092	30
Tenant services	446	-	-	446	-
Utilities	17,094	-	-	17,094	-
Ordinary maintenance & operation	127,031	-	-	127,031	-
Insurance	19,091	5,756	-	24,847	-
General expenses	14,534	64,625	-	79,159	-
Housing assistance payments	-	4,886,467	-	4,886,467	-
Depreciation	39,607	6,131	-	45,738	-
Total operating expenses	270,642	5,349,232	-	5,619,874	30
Operating income (loss)	9,761	(3,934)	-	5,827	162,970
Nonoperating revenues (expenses)					
Interest revenue, unrestricted	237	297	-	534	147
Interest expense	-	(178)	-	(178)	-
Fraud recovery	-	73,990	-	73,990	-
Gain/(loss) on disposition of capital assets	(447,823)	-	-	(447,823)	-
Total nonoperating revenues	(447,586)	74,109	-	(373,477)	147
Income (loss) before transfers	(437,825)	70,175	-	(367,650)	163,117
Transfers from (to) other programs or entities	(20,636)	-	-	(20,636)	20,636
Increase (decrease) in net position	(458,461)	70,175	-	(388,286)	183,753
Net position, beginning of year	1,140,612	129,881	-	1,270,493	-
Net position, end of year	\$ 682,151	\$ 200,056	\$ -	\$ 882,207	\$ 183,753

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Project Total	14.871 Housing Choice Vouchers	Total 2018	Discretely Presented Component Unit
Cash Flows From Operating Activities				
Receipts from dwelling rentals	\$ 83,401	\$ (800)	\$ 82,601	\$ -
Operating grants	179,200	5,226,454	5,405,654	-
Other receipts	4,568	153,027	157,595	163,000
Payments to employees and suppliers	(221,317)	(469,750)	(691,067)	(30)
Payments to landlords and residents	(446)	(4,886,467)	(4,886,913)	-
Interprogram transfers	(39,247)	18,611	(20,636)	20,636
Net cash provided (used) by operating activities	6,159	41,075	47,234	183,606
Cash Flows From Noncapital Financing Activities				
Principal paid on operating debt	-	(4,095)	(4,095)	-
Net cash provided (used) by noncapital financing activities	-	(4,095)	(4,095)	-
Cash Flows From Capital and Related Financing Activities				
Purchases of capital assets	(66,465)	(1,000)	(67,465)	-
Gain or loss on disposition of capital assets	2,580	-	2,580	-
Interest paid on capital debt	-	(178)	(178)	-
Net cash provided (used) by capital and related financing activities	(63,885)	(1,178)	(65,063)	-
Cash Flows From Investing Activities				
Interest	237	297	534	147
Net cash provided (used) by investing activities	237	297	534	147
Net increase (decrease) in cash and cash equivalents	(57,489)	36,099	(21,390)	183,753
Balance - beginning of the year	172,545	100,418	272,963	-
Balance - end of the year	\$ 115,056	\$ 136,517	\$ 251,573	\$ 183,753
Reconciliation of Cash Flows to Statement of Net Position				
Cash and cash equivalents, unrestricted	\$ 114,366	\$ -	\$ 114,366	\$ 183,753
Cash and cash equivalents, restricted	-	136,516	136,516	-
	\$ 114,366	\$ 136,516	\$ 250,882	\$ 183,753

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(Continued)

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

	<u>Project Total</u>	<u>14.871 Housing Choice Vouchers</u>	<u>Total 2018</u>	<u>Discretely Presented Component Unit</u>
Operating income/(loss)	\$ 9,761	\$ (3,934)	\$ 5,827	\$ 162,970
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation elimination	39,607	6,131	45,738	-
Increase in accounts receivable	1,029	(37,582)	(36,553)	-
Increase in due to/from other governments	-	(3,025)	(3,025)	-
Increase in due to/from other programs	7,630	-	7,630	-
Increase in prepaid expenses	4,382	(6,245)	(1,863)	-
Decrease in security deposits	(14,098)	-	(14,098)	-
Increase in accounts payable	(178)	1,295	1,117	-
Decrease in accrued wages	(2,865)	(8,952)	(11,817)	-
Increase in accrued compensated absences	138	79	217	-
Increase in accrued liabilities	-	707	707	-
Other revenue and expense reported as nonoperating	-	73,990	73,990	-
Equity transfers in	(39,247)	18,611	(20,636)	20,636
	<u>\$ 6,159</u>	<u>\$ 41,075</u>	<u>\$ 47,234</u>	<u>\$ 183,606</u>

DANIA BEACH HOUSING AUTHORITY (FL116)

DANIA BEACH, FL

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2018

	Project Total	14,871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$114,366		\$183,753	\$298,119		\$298,119
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted		\$136,516		\$136,516		\$136,516
114 Cash - Tenant Security Deposits						
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$114,366	\$136,516	\$183,753	\$434,635	\$0	\$434,635
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects	\$159			\$159		\$159
124 Accounts Receivable - Other Government		\$6,933		\$6,933		\$6,933
125 Accounts Receivable - Miscellaneous	\$0	\$800		\$800		\$800
126 Accounts Receivable - Tenants						
126.1 Allowance for Doubtful Accounts - Tenants						
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery		\$52,517		\$52,517		\$52,517
128.1 Allowance for Doubtful Accounts - Fraud		\$0		\$0		\$0
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$159	\$60,250	\$0	\$60,409	\$0	\$60,409
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	\$378	\$12,539		\$12,917		\$12,917
143 Inventories						
143.1 Allowance for Obsolete Inventories						
144 Inter Program Due From	\$18,611			\$18,611	-\$18,611	\$0
145 Assets Held for Sale						
150 Total Current Assets	\$133,514	\$209,305	\$183,753	\$526,572	-\$18,611	\$507,961
161 Land	\$477,126	\$20,090		\$497,216		\$497,216
162 Buildings						
163 Furniture, Equipment & Machinery - Dwellings						
164 Furniture, Equipment & Machinery - Administration	\$16,436	\$34,026		\$50,462		\$50,462
165 Leasehold Improvements						
166 Accumulated Depreciation	-\$16,436	-\$28,842		-\$45,278		-\$45,278
167 Construction in Progress	\$76,003			\$76,003		\$76,003
168 Infrastructure						
180 Total Capital Assets, Net of Accumulated Depreciation	\$553,129	\$25,274	\$0	\$578,403	\$0	\$578,403
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0			\$0		\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0			\$0		\$0
173 Grants Receivable - Non Current						

174 Other Assets	\$0			\$0		\$0
176 Investments in Joint Ventures	\$0			\$0		\$0
180 Total Non-Current Assets	\$553,129	\$25,274	\$0	\$578,403	\$0	\$578,403
200 Deferred Outflow of Resources						
290 Total Assets and Deferred Outflow of Resources	\$686,643	\$234,579	\$183,753	\$1,104,975	-\$18,611	\$1,086,364
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$4,004	\$11,011		\$15,015		\$15,015
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable						
322 Accrued Compensated Absences - Current Portion	\$488	\$349		\$837		\$837
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs	\$0			\$0		\$0
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government						
341 Tenant Security Deposits						
342 Unearned Revenue	\$0			\$0		\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0			\$0		\$0
344 Current Portion of Long-term Debt - Operating Borrowings		\$1,413		\$1,413		\$1,413
345 Other Current Liabilities						
346 Accrued Liabilities - Other						
347 Inter Program - Due To		\$18,611		\$18,611	-\$18,611	\$0
348 Loan Liability - Current	\$0			\$0		\$0
310 Total Current Liabilities	\$4,492	\$31,384	\$0	\$35,876	-\$18,611	\$17,265
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0			\$0		\$0
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other						
354 Accrued Compensated Absences - Non Current		\$3,139		\$3,139		\$3,139
355 Loan Liability - Non Current	\$0			\$0		\$0
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities	\$0			\$0		\$0
350 Total Non-Current Liabilities	\$0	\$3,139	\$0	\$3,139	\$0	\$3,139
300 Total Liabilities	\$4,492	\$34,523	\$0	\$39,015	-\$18,611	\$20,404
400 Deferred Inflow of Resources						
508.4 Net Investment in Capital Assets	\$553,129	\$25,274		\$578,403		\$578,403
511.4 Restricted Net Position		\$182,459		\$182,459		\$182,459
512.4 Unrestricted Net Position	\$129,022	-\$7,677	\$183,753	\$305,098		\$305,098
513 Total Equity - Net Assets / Position	\$682,151	\$200,056	\$183,753	\$1,065,960	\$0	\$1,065,960
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$686,643	\$234,579	\$183,753	\$1,104,975	-\$18,611	\$1,086,364

DANIA BEACH HOUSING AUTHORITY (FL116)

DANIA BEACH, FL

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2018

	Project Total	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$96,635			\$96,635		\$96,635
70400 Tenant Revenue - Other						
70500 Total Tenant Revenue	\$96,635	\$0	\$0	\$96,635	\$0	\$96,635
70600 HUD PHA Operating Grants	\$179,200	\$5,226,454		\$5,405,654		\$5,405,654
70610 Capital Grants						
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue				\$0	\$0	\$0
70800 Other Government Grants						
71100 Investment Income - Unrestricted	\$237	\$297	\$147	\$681		\$681
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery		\$73,990		\$73,990		\$73,990
71500 Other Revenue	\$4,568	\$118,844	\$163,000	\$286,412		\$286,412
71600 Gain or Loss on Sale of Capital Assets	-\$447,823			-\$447,823		-\$447,823
72000 Investment Income - Restricted						
70000 Total Revenue	-\$167,183	\$5,419,585	\$163,147	\$5,415,549	\$0	\$5,415,549
91100 Administrative Salaries	\$17,174	\$215,678		\$232,852		\$232,852
91200 Auditing Fees	\$420	\$5,580		\$6,000		\$6,000
91300 Management Fee						
91310 Book-keeping Fee						
91400 Advertising and Marketing						
91500 Employee Benefit contributions - Administrative	\$5,972	\$75,566		\$81,538		\$81,538
91600 Office Expenses	\$2,088	\$72,403		\$74,491		\$74,491
91700 Legal Expense	\$10,773			\$10,773		\$10,773
91800 Travel						
91810 Allocated Overhead						
91900 Other	\$16,412	\$17,026	\$30	\$33,468		\$33,468
91000 Total Operating - Administrative	\$52,839	\$386,253	\$30	\$439,122	\$0	\$439,122
92000 Asset Management Fee						
92100 Tenant Services - Salaries						
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	\$446			\$446		\$446
92500 Total Tenant Services	\$446	\$0	\$0	\$446	\$0	\$446

93100 Water	\$8,869			\$8,869		\$8,869
93200 Electricity	\$7,385			\$7,385		\$7,385
93300 Gas						
93400 Fuel						
93500 Labor						
93600 Sewer						
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense	\$840			\$840		\$840
93000 Total Utilities	\$17,094	\$0	\$0	\$17,094	\$0	\$17,094
94100 Ordinary Maintenance and Operations - Labor	\$57,735			\$57,735		\$57,735
94200 Ordinary Maintenance and Operations - Materials and Other	\$11,495			\$11,495		\$11,495
94300 Ordinary Maintenance and Operations Contracts	\$35,100			\$35,100		\$35,100
94500 Employee Benefit Contributions - Ordinary Maintenance	\$22,701			\$22,701		\$22,701
94000 Total Maintenance	\$127,031	\$0	\$0	\$127,031	\$0	\$127,031
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	\$0
96110 Property Insurance	\$3,542			\$3,542		\$3,542
96120 Liability Insurance	\$13,390			\$13,390		\$13,390
96130 Workmen's Compensation	\$1,764	\$5,587		\$7,351		\$7,351
96140 All Other Insurance	\$395	\$169		\$564		\$564
96100 Total Insurance Premiums	\$19,091	\$5,756	\$0	\$24,847	\$0	\$24,847
96200 Other General Expenses	\$11,347	\$53,957		\$65,304		\$65,304
96210 Compensated Absences	\$3,022	\$10,668		\$13,690		\$13,690
96300 Payments in Lieu of Taxes						
96400 Bad debt - Tenant Rents	\$165			\$165		\$165
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	\$14,534	\$64,625	\$0	\$79,159	\$0	\$79,159
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)		\$178		\$178		\$178
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$178	\$0	\$178	\$0	\$178
96900 Total Operating Expenses	\$231,035	\$456,812	\$30	\$687,877	\$0	\$687,877
97000 Excess of Operating Revenue over Operating Expenses	-\$398,218	\$4,962,773	\$163,117	\$4,727,672	\$0	\$4,727,672
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments		\$4,782,885		\$4,782,885		\$4,782,885

97350 HAP Portability-In		\$103,582		\$103,582		\$103,582
97400 Depreciation Expense	\$39,607	\$6,131		\$45,738		\$45,738
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$270,642	\$5,349,410	\$30	\$5,620,082	\$0	\$5,620,082
10010 Operating Transfer In	\$32,558		\$20,636	\$53,194	-\$53,194	\$0
10020 Operating transfer Out	-\$53,194			-\$53,194	\$53,194	\$0
10030 Operating Transfers from/to Primary Government	\$0			\$0		\$0
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)	-\$20,636	\$0	\$20,636	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$458,461	\$70,175	\$183,753	-\$204,533	\$0	-\$204,533
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$1,140,612	\$129,881	\$0	\$1,270,493		\$1,270,493
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0		\$0		\$0
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity		\$17,597		\$17,597		\$17,597
11180 Housing Assistance Payments Equity		\$182,459		\$182,459		\$182,459
11190 Unit Months Available	468	5988		6456		6456
11210 Number of Unit Months Leased	407	5495		5902		5902
11270 Excess Cash	\$109,392			\$109,392		\$109,392
11610 Land Purchases	\$0			\$0		\$0
11620 Building Purchases	\$0			\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0			\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0			\$0		\$0
11650 Leasehold Improvements Purchases	\$0			\$0		\$0
11660 Infrastructure Purchases	\$0			\$0		\$0
13510 CFFP Debt Service Payments	\$0			\$0		\$0
13901 Replacement Housing Factor Funds	\$0			\$0		\$0

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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	\$ 5,226,454
14.871	Housing Choice Voucher-Pass thru	Other PHA's	106,255
	Total Housing Choice Voucher Cluster		<u>5,332,709</u>
14.872	Capital Fund Program	NA	32,558
14.850	Low Rent Public Housing	NA	146,642
	Total U.S. Department of HUD		<u>5,511,909</u>
	Total Federal Awards Expenditures		<u>\$ 5,511,909</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, 2018. 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	\$ 5,405,654
FDS line 715	HCVP other income	118,844
	Less: nonfederal portion	(12,589)
		<u>\$ 5,511,909</u>

SINGLE AUDIT SECTION

MALCOLM JOHNSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
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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, 2018, 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 May 28, 2019.

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.

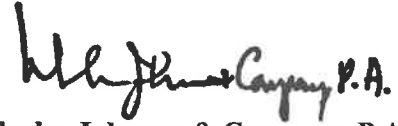
Compliance and Other Matters

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 May 28, 2019.

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
May 28, 2019

MALCOLM JOHNSON & COMPANY, P.A.
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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, 2018. 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, 2018.

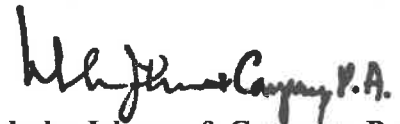
Report on Internal Control Over Compliance

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
May 28, 2019

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(Continued)

SECTION II – BASIC FINANCIAL STATEMENT FINDINGS

There were no Basic Financial Statements Findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings and Questioned Costs.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

There were no prior audit findings.