DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

REPORT ON AUDIT OF BASIC FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION AND SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2025

TABLE OF CONTENTS

MALCOLM JOHNSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
210 N. Charles Richard Beall Blvd.
DeBary, Florida 32713

Phone (386) 668-6464 Fax (386) 668-6463

office@malcolmjohnsoncompany.com
www.malcolmjohnsoncompany.com

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Dania Beach Housing Authority
Dania Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Dania Beach Housing Authority (the Authority) for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 - 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated July 20, 2026 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 solely 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 the effectiveness of the Authority's 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.

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

DeBary, Florida
July 20, 2026

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

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 December 31, 2025. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements.

For accounting purposes, the Authority's programs are reported in one enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

The section Supplemental Information required by HUD contains the Financial Data Schedule (FDS). HUD has established Uniform Financial Reporting Standards that require the Authority to submit financial information electronically to HUD using the FDS format. This financial information has been electronically transmitted to the Real Estate Assessment Center (REAC).

Programs of the Authority:

Blended Component Unit

The Authority demolished its traditional public housing units and replaced it with 172 units of affordable 9% LIHTC housing in its blended component unit. It completed the phase down of its traditional public housing program during fiscal year 2021.

Housing Choice Voucher Program

The Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides contributions to the Authority to enable the Authority to subsidize the participants' rents. The PHA currently has both Mainstream and traditional vouchers.

Business Activities

The Authority is providing affordable housing to the Dania Beach community in place of traditional public housing. The Authority developed 75 units of moderate housing after being awarded CDBG and 4% SAIL bond funding. The Authority plans to use income from these projects to fund future endeavors.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

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 December 31, 2025 was $4,569,582.
- The Authority's unrestricted net position as of December 31, 2025 was $1,587,983 and restricted net position was $84. The remaining $2,981,515 of equity was investment in capital assets.
- The Authority's total operating revenue was $11,351,124 which consisted of $10,674,833 in HUD Section 8 subsidy and $676,291 other revenues (mostly developer fees and proceeds from tax credit developments).

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.

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 2025, total current assets were $6,222,570, total capital net assets were $2,981,515, and other assets were $1,859,924.

In addition, total liabilities were $6,494,427 at the end of FYE 2025. Of that, $6,143,986 was deferred inflow of resources from the land leases.

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:

	Year Ended		Increase/	
ASSETS	**2025**	**2024**	**(Decrease)**	**% Change**
Current and Restricted Assets	$ 6,222,570	$ 5,426,439	$ 796,131	14.67%
Capital Assets, net of Depreciation	2,981,515	2,891,587	89,928	3.11%
Other Assets	1,859,924	1,793,720	66,204	3.69%
Total Assets	**11,064,009**	**10,111,746**	**952,263**	**9.42%**
Deferred Outflow of Resources	-	-	-	**0.00%**
Total Assets and Deferred Outflow Resources	**$ 11,064,009**	**$ 10,111,746**	**$ 952,263**	**9.42%**
LIABILITIES				
Current Liabilities	$ 280,919	$ 115,297	$ 165,622	143.65%
Non-Current Liabilities	69,522	131,179	(61,657)	-47.00%
Total Liabilities	**350,441**	**246,476**	**103,965**	**42.18%**
Deferred Inflow of Resources	**6,143,986**	**6,110,028**	**33,958**	**0.56%**
Total Liabilities and Deferred Inflow of Resources	**6,494,427**	**6,356,504**	**137,923**	**2.17%**
NET POSITION				
Net investment in Capital Assets	2,981,515	2,891,587	89,928	3.11%
Restricted Net Position	84	9,467	(9,383)	-99.11%
Unrestricted Net Position	1,587,983	854,188	733,795	85.91%
Total Net Position	**4,569,582**	**3,755,242**	**814,340**	**21.69%**
Total Liabilities, Deferred Inflow of Resources, and Net Position	**$ 11,064,009**	**$ 10,111,746**	**$ 952,263**	**9.42%**

Overview of Financial Statements: (Continued)

Cash and other current assets increased by $796,131 primarily in a receivable due from HUD for housing assistance payments and funds received in the component unit. There was an increase in operating revenues of $1,830,330 and an increase in operating expenses of $1,285,237 due to an increase in housing assistance payments in the Section 8 program.

There was an increase in net capital assets of $89,928. The Authority had long-term liabilities consisting of accrued compensated absences of $4,815 and copier lease payable (in compliance with GASB 87) of $64,707.

There was an increase in liabilities of $137,923, due to the increases in bank overdraft of $88,382 and computer lease payable increase of $62,361.

This schedule below reflects an increase in total net position of $63.

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

	Year Ended 2025	Year Ended 2024	Increase/ (Decrease)	% Change
Operating revenues				
HUD Grants	$ 10,674,833	$ 9,108,186	$ 1,566,647	17.20%
Other revenue	676,291	412,608	263,683	63.91%
Total operating revenue	**11,351,124**	**9,520,794**	**1,830,330**	**19.22%**
Operating expenses				
Administrative	672,702	745,843	(73,141)	-9.81%
Ordinary maintenance and operation	37,491	18,812	18,679	99.29%
Insurance	24,583	18,858	5,725	30.36%
General expense	25,673	37,208	(11,535)	-31.00%
Housing assistance payments	9,895,447	8,580,071	1,315,376	15.33%
Depreciation	30,604	471	30,133	6397.66%
Total operating expenses	**10,686,500**	**9,401,263**	**1,285,237**	**13.67%**
Operating income (loss)	**664,624**	**119,531**	**545,093**	**456.03%**
Nonoperating revenues (expenses)				
Interest revenue	155,887	168,811	(12,924)	-7.66%
Fraud recovery	-	5,304	(5,304)	-100.00%
Interest expense	(6,171)	(7,598)	1,427	-18.78%
Total nonoperating revenues	**149,716**	**166,517**	**(16,801)**	**-10.09%**
Increase (decrease) in net position	**814,340**	**286,048**	**528,292**	**184.69%**
Net position, beginning of year	**3,755,242**	**3,469,194**	**286,048**	**8.25%**
Net position, end of year	**$ 4,569,582**	**$ 3,755,242**	**$ 814,340**	**21.69%**

The Authority had total operating revenue of $11,351,124 with a net increase in net position of $814,340. Total operating expenses were $10,686,500.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

Overview of Financial Statements: (Continued)

Capital Assets:

	Balance December 31, 2024	Additions	Deletions	Balance December 31, 2025
Not being depreciated:				
Land	$ 2,888,876	$ -	$	$ 2,888,876
Total not being depreciated	**2,888,876**	-		**2,888,876**
Depreciable:				
Equipment	21,393	120,533	(12,932)	128,994
Accumulated depreciation	(18,682)	(30,605)	12,932	(36,355)
Net depreciable assets	**2,711**	**89,928**	-	**92,639**
TOTAL	**$ 2,891,587**	**$ 89,928**	**$ -**	**$ 2,981,515**

There was an increase in net capital assets of 89,928. Depreciation expense for the year was $30,604. The only capital assets of the Authority are land, administrative equipment, and SBITA asset for computer software.

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:

- Housing Choice Voucher Program (CFDA #14.871)
- Mainstream Voucher Program (CFDA
- #14.879
- Business Activities
- Component Unit

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
- Small Area Fair Market Rents have increased the average per unit cost for the Authority.

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 NET POSITION
DECEMBER 31, 2025

ASSETS	
Current assets	
Cash and cash equivalents, unrestricted	$ 5,596,808
Cash and cash equivalents, restricted	84
Due from other governments	625,678
Total current assets	**6,222,570**
Noncurrent assets	
Other assets	
Notes and mortgages receivable	1,529,924
Escrow deposits	330,000
Total other assets	**1,859,924**
Capital assets	
Not being depreciated	2,888,876
Depreciable, net	92,639
Total capital assets, net	**2,981,515**
Total noncurrent assets	**4,841,439**
Total assets	**11,064,009**
Deferred Outflow of Resources	-
Total Assets and Deferred Outflow of Resources	**11,064,009**
LIABILITIES	
Current liabilities	
Vendors and contractors payable	151,064
Accrued wages/taxes payable	1,515
Accrued compensated absences	535
Due to other governments	35,000
Other current liabilities	92,805
Total current liabilities	**280,919**
Noncurrent liabilities	
Accrued compensated absences	4,815
Other accrued liabilities	64,707
Total noncurrent liabilities	**69,522**
Total liabilities	**350,441**
Deferred Inflow of Resources	**6,143,986**
Total Liabilities and Deferred Inflow of Resources	**6,494,427**
NET POSITION	
Net investment in capital assets	2,981,515
Restricted	84
Unrestricted	1,587,983
Total net position	**$ 4,569,582**

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 DECEMBER 31, 2025

Operating revenues	
HUD grants	$ 10,674,833
Other revenue	676,291
Total operating revenues	**11,351,124**
Operating expenses	
Administrative	672,702
Ordinary maintenance & operation	37,491
Insurance	24,583
General expenses	25,673
Housing assistance payments	9,895,447
Depreciation	30,604
Total operating expenses	**10,686,500**
Operating income (loss)	**664,624**
Nonoperating revenues (expenses)	
Interest revenue, unrestricted	155,887
Interest expense	(6,171)
Total nonoperating revenues	**149,716**
Increase (decrease) in net position	**814,340**
Net position, beginning of year	**3,755,242**
Net position, end of year	**$ 4,569,582**

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 DECEMBER 31, 2025

Cash Flows From Operating Activities	
Operating grants	$ 10,584,583
Other receipts	580,791
Payments to employees and suppliers	(784,911)
Payments to landlords and residents	(9,895,447)
Net cash provided (used) by operating activities	**485,016**
Cash Flows From Noncapital Financing Activities	
Interest paid on operating debt	(6,171)
Net cash provided (used) by noncapital financing activities	**(6,171)**
Cash Flows From Capital and Related Financing Activities	
Purchases of capital assets	(120,533)
Net cash provided (used) by capital and related financing activities	**(120,533)**
Cash Flows From Investing Activities	
Proceeds from homebuyer note activity - net	12,975
Interest	155,888
Net cash provided (used) by investing activities	**168,863**
Net increase (decrease) in cash and cash equivalents	**527,175**
Balance - beginning of the year	**4,942,542**
Balance - end of the year	**$ 5,469,717**
Reconciliation of Cash Flows to Statement of Net Position	
Cash and cash equivalents, unrestricted	$ 5,469,633
Cash and cash equivalents, restricted	84
	$ 5,469,717

There are no non-cash transactions.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Continued)

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

Operating income/(loss)	**$**	**664,624**
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Depreciation elimination		30,604
Increase in accounts receivable		(95,500)
Increase in due to/from other governments		(73,189)
Decrease in prepaid expenses		5,176
Increase in other assets		(79,179)
Decrease in accounts payable		(1,020)
Increase in accrued wages		1,515
Decrease in accrued compensated absences		(2,677)
Increase in accrued liabilities		704
Increase in deferred inflow of resources		33,958
	$	**485,016**

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

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

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 blended component unit: Dania Beach Quality Housing Solutions, Inc.

   The basic financial statements of the Authority consist primarily of Locally Owned Affordable Housing activities 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-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.

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.

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

4. Basis of Presentation and Accounting: (Continued)

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.

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.

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

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 on December 31, 2025, 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.

    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.

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

13. Capital Assets: (Continued)

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 December 31, 2025.

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. 101*. 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.

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.

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.

On December 31, 2025, 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 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 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 $5,596,892 on December 31, 2025. Bank balances before reconciling items were $5,831,787 at that date, the total amount of which was collateralized as Public Funds in the State of Florida.

C - Due From Other Governments:

U. S. Department of Housing and Urban Development (HUD)	$ 530,178
Other Public Housing Authorities – Port-In Vouchers	95,500
	$ 625,678

D - Other Assets – Tax Credit Partnership Loans:

Loan Receivable – Saratoga III 0% annum, maturity December 2051	$ 970,000
Loan Receivable – Saratoga III 0% annum, maturity December 2051	455,000
Loan Receivable – Saratoga II 0% annum, maturity December 2051	104,924
Escrow Deposits – Sunrise Properties	330,000
	$ 1,859,924

E - Land, Buildings and Equipment:

	Balance December 31, 2024	Additions	Retirements & Dispositions	Balance December 31, 2025
Not being depreciated:				
Land	$ 2,888,876	$ -	$ -	$ 2,888,876
Total not being depreciated	**2,888,876**	**-**	**-**	**2,888,876**
Depreciable:				
Equipment	21,393	120,533	(12,932)	128,994
Accumulated depreciation	(18,682)	(30,605)	12,932	(36,355)
Net depreciable assets	**2,711**	**89,928**	**-**	**92,639**
TOTAL	**$ 2,891,587**	**$ 89,928**	**$ -**	**$ 2,981,515**

F - Notes Payable – Capitalized Leases: During the fiscal year, the Authority implemented GASB 96 – Leases. The Authority is leasing a Yardi Computer System starting January 31, 2024, with monthly payments of $2,900 with an interest rate of 5%. The Authority has chosen not to restate prior periods because the cumulative effect was determined to be immaterial. The future lease payment maturity schedule is presented below:

Year ended December 31,	Principal	Interest	Total Payments	Amortization
2026	$ 30,062	$ 4,738	$ 34,800	$ 30,133
2027	31,665	3,135	34,800	30,133
2028	33,042	1,758	34,800	30,133
	$ 94,769	**$ 9,631**	**$ 104,400**	**$ 90,399**

G - Annual Contributions by Federal Agencies:

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 December 31, 2025, were $10,674,833.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

H - Deferred Inflow of Resources From Sale of Partnerships

Ground Lease Unearned Revenue – Tax Credit Partnerships:

Partnerships Saratoga I, Amortized 75 years	$ 2,649,600
Partnerships Saratoga II, Amortized 75 years	1,039,600
Partnerships Saratoga III, Amortized 99 years	2,454,786
	$ 6,143,986

I - **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.

The Authority's total payroll was $331,908. The Authority's and employee's contributions were calculated using the $331,908. The Authority and the employees made the required contributions amounting to $46,467 and $3,319 respectively.

J - **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.

K - **Economic Dependency:** The Authority receives approximately 93% 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.

L - **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 December 31, 2025.

M - Schedule of Changes in Noncurrent Liabilities:

	Balance at December 31, 2024		Year Ended December 31, 2025		Balance at December 31, 2025	
	Long-term Portion	Current Portion	Additions	Payments	Current Portion	Long-term Portion
Notes payable	$ -	$ 311	$ -	$ (311)	$ -	$ -
Accrued compensated absences	37,912	2,901	13,276	(48,739)	535	4,815
Other Long-term Liabilities	93,267	30,444	-	(28,942)	30,062	64,707
	$ 131,179	$ 33,656	$ 13,276	$ (77,992)	$ 30,597	$ 69,522

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 - **Decrease in Net Position:** The decrease in net position is expected to be absorbed through operations in subsequent fiscal years, assisted by transfers from various programs. No fund deficit is expected as a result of the current year loss.

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 no cash transfers made during the current fiscal year from the Capital Fund Program to the Low Rent Public Housing Program.

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.

Effective November 8, 2020, the Authority and the Master Developer revitalized and rebuilt 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. In future years, 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 Units:** As per GASB 61, the condensed combining information is provided on the component unit:

Condensed Combining Schedule of Net Position

	Primary Government	Blended Component Unit (BCU)	
	DANIA BEACH HOUSING AUTHORITY	**Dania Beach Quality Housing Solutions, Inc.**	**Total**
ASSETS			
Current assets	$ 5,213,971	$ 1,008,599	$ 6,222,570
Capital assets	2,981,515	-	2,981,515
Other assets	104,924	1,755,000	1,859,924
Deferred outflow of resources	-	-	-
Total Assets	**$ 8,300,410**	**$ 2,763,599**	**$ 11,064,009**
LIABILITIES			
Current liabilities	$ 280,919	$ -	$ 280,919
Long-Term liabilities	69,522	-	69,522
Total Liabilities	**350,441**	**-**	**350,441**
Deferred inflow of resources	6,143,986	-	6,143,986
NET POSITION			
Net investment in capital assets	2,981,515	-	2,981,515
Restricted	84	-	84
Unrestricted	(1,175,616)	2,763,599	1,587,983
Total Net Position	**1,805,983**	**2,763,599**	**4,569,582**
Total Liabilities, Deferred Inflow of Resources, and Net Position	**$ 8,300,410**	**$ 2,763,599**	**$ 11,064,009**

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2025

R - Condensed Statement - Component Units: (Continued)

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Primary Government DANIA BEACH HOUSING AUTHORITY	Blended Component Unit (BCU) Dania Beach Quality Housing Solutions, Inc.	Total
Operating revenues	**$ 10,759,669**	**$ 591,455**	**$ 11,351,124**
Operating expenses			
Other operating expenses	10,586,385	69,511	10,655,896
Depreciation	30,604	-	30,604
Total operating expenses	**10,616,989**	**69,511**	**10,686,500**
Operating income (loss)	**142,680**	**521,944**	**664,624**
Nonoperating revenues (expenses)	(4,528)	154,244	149,716
Increase (decrease) in net position	**138,152**	**676,188**	**814,340**
Net position, beginning of year	**1,667,831**	**2,087,411**	**3,755,242**
Net position, end of year	**$ 1,805,983**	**$ 2,763,599**	**$ 4,569,582**

Condensed Statement of Cash Flows

	Primary Government DANIA BEACH HOUSING AUTHORITY	Blended Component Unit (BCU) Dania Beach Quality Housing Solutions, Inc.	Total
Net cash provided (used) by operating activities	$ 172,072	$ 312,944	$ 485,016
Net cash provided (used) by noncapital financing activities	(6,171)	-	(6,171)
Net cash provided (used) by capital and related financing activities	(120,533)	-	(120,533)
Net cash provided (used) by investing activities	14,619	154,244	168,863
Net increase (decrease) in cash and cash equivalents	**59,987**	**467,188**	**527,175**
Balance - beginning of the year	**4,401,131**	**541,411**	**4,942,542**
Balance - end of the year	**$ 4,461,118**	**$ 1,008,599**	**$ 5,469,717**

SUPPLEMENTARY INFORMATION

DANIA BEACH HOUSING AUTHORITY (FL116)
DANIA BEACH, FL

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	Project Total	6.2 Component Unit - Blended	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted		$1,008,599	$4,561,177	$27,032		$5,596,808		$5,596,808
112 Cash - Restricted - Modernization and Development								
113 Cash - Other Restricted				$84		$84		$84
114 Cash - Tenant Security Deposits								
115 Cash - Restricted for Payment of Current Liabilities								
100 Total Cash	$0	$1,008,599	$4,561,177	$27,116	$0	$5,596,892	$0	$5,596,892
121 Accounts Receivable - PHA Projects					$95,500	$95,500		$95,500
122 Accounts Receivable - HUD Other Projects					$530,178	$530,178		$530,178
124 Accounts Receivable - Other Government								
125 Accounts Receivable - Miscellaneous								
126 Accounts Receivable - Tenants								
126.1 Allowance for Doubtful Accounts -Tenants								
126.2 Allowance for Doubtful Accounts - Other					$0	$0		$0
127 Notes, Loans, & Mortgages Receivable - Current								
128 Fraud Recovery					$39,862	$39,862		$39,862
128.1 Allowance for Doubtful Accounts - Fraud					-$39,862	-$39,862		-$39,862
129 Accrued Interest Receivable								
120 Total Receivables, Net of Allowances for Doubtful Accounts	$0	$0	$0	$0	$625,678	$625,678	$0	$625,678
131 Investments - Unrestricted								
132 Investments - Restricted								
135 Investments - Restricted for Payment of Current Liability								
142 Prepaid Expenses and Other Assets								
143 Inventories								
143.1 Allowance for Obsolete Inventories								
144 Inter Program Due From								
145 Assets Held for Sale								

	Project Total	6.2 Component Unit - Blended	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
150 Total Current Assets	$0	$1,008,599	$4,561,177	$27,116	$625,678	$6,222,570	$0	$6,222,570
161 Land			$2,868,786		$20,090	$2,888,876		$2,888,876
162 Buildings								
163 Furniture, Equipment & Machinery - Dwellings								
164 Furniture, Equipment & Machinery - Administration					$128,994	$128,994		$128,994
165 Leasehold Improvements								
166 Accumulated Depreciation					-$36,355	-$36,355		-$36,355
167 Construction in Progress								
168 Infrastructure								
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$0	$2,868,786	$0	$112,729	$2,981,515	$0	$2,981,515
171 Notes, Loans and Mortgages Receivable - Non-Current		$1,425,000	$104,924			$1,529,924		$1,529,924
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due								
173 Grants Receivable - Non Current								
174 Other Assets		$330,000	$0		$0	$330,000		$330,000
176 Investments in Joint Ventures								
180 Total Non-Current Assets	$0	$1,755,000	$2,973,710	$0	$112,729	$4,841,439	$0	$4,841,439
200 Deferred Outflow of Resources								
290 Total Assets and Deferred Outflow of Resources	$0	$2,763,599	$7,534,887	$27,116	$738,407	$11,064,009	$0	$11,064,009
311 Bank Overdraft					$127,175	$127,175		$127,175
312 Accounts Payable <= 90 Days			$23,889			$23,889		$23,889
313 Accounts Payable >90 Days Past Due								
321 Accrued Wage/Payroll Taxes Payable					$1,515	$1,515		$1,515
322 Accrued Compensated Absences - Current Portion					$535	$535		$535
324 Accrued Contingency Liability								
325 Accrued Interest Payable								
331 Accounts Payable - HUD PHA Programs								
332 Account Payable - PHA Projects					$35,000	$35,000		$35,000
333 Accounts Payable - Other Government								

	Project Total	6.2 Component Unit - Blended	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
341 Tenant Security Deposits								
342 Unearned Revenue			$0			$0		$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue								
344 Current Portion of Long-term Debt - Operating Borrowings								
345 Other Current Liabilities					$92,805	$92,805		$92,805
346 Accrued Liabilities - Other								
347 Inter Program - Due To								
348 Loan Liability - Current								
310 Total Current Liabilities	$0	$0	$23,889	$0	$257,030	$280,919	$0	$280,919
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					$64,707	$64,707		$64,707
354 Accrued Compensated Absences - Non Current					$4,815	$4,815		$4,815
355 Loan Liability - Non Current								
356 FASB 5 Liabilities								
357 Accrued Pension and OPEB Liabilities								
350 Total Non-Current Liabilities	$0	$0	$0	$0	$69,522	$69,522	$0	$69,522
300 Total Liabilities	$0	$0	$23,889	$0	$326,552	$350,441	$0	$350,441
400 Deferred Inflow of Resources			$6,143,986			$6,143,986		$6,143,986
508.4 Net Investment in Capital Assets			$2,868,786		$112,729	$2,981,515		$2,981,515
511.4 Restricted Net Position				$84		$84		$84
512.4 Unrestricted Net Position	$0	$2,763,599	-$1,501,774	$27,032	$299,126	$1,587,983		$1,587,983
513 Total Equity - Net Assets / Position	$0	$2,763,599	$1,367,012	$27,116	$411,855	$4,569,582	$0	$4,569,582
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$0	$2,763,599	$7,534,887	$27,116	$738,407	$11,064,009	$0	$11,064,009

DANIA BEACH HOUSING AUTHORITY (FL116)
DANIA BEACH, FL
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2025

	Project Total	6.2 Component Unit - Blended	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue								
70400 Tenant Revenue - Other								
70500 Total Tenant Revenue	$0	$0	$0	$0	$0	$0	$0	$0
70600 HUD PHA Operating Grants				$1,135,023	$9,539,810	$10,674,833		$10,674,833
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		$154,244	$55		$1,588	$155,887		$155,887
71200 Mortgage Interest Income								
71300 Proceeds from Disposition of Assets Held for Sale								
71310 Cost of Sale of Assets								
71400 Fraud Recovery								
71500 Other Revenue		$591,455	$84,836			$676,291		$676,291
71600 Gain or Loss on Sale of Capital Assets								
72000 Investment Income - Restricted								
70000 Total Revenue	$0	$745,699	$84,891	$1,135,023	$9,541,398	$11,507,011	$0	$11,507,011
91100 Administrative Salaries		$24,000		$33,295	$256,454	$313,749		$313,749
91200 Auditing Fees					$15,950	$15,950		$15,950
91300 Management Fee								
91310 Book-keeping Fee								
91400 Advertising and Marketing								
91500 Employee Benefit contributions - Administrative				$11,653	$166,300	$177,953		$177,953
91600 Office Expenses					$82,632	$82,632		$82,632
91700 Legal Expense					$6,767	$6,767		$6,767
91800 Travel					$7,563	$7,563		$7,563

	Project Total	6.2 Component Unit - Blended	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
91810 Allocated Overhead								
91900 Other		$8,553			$59,535	$68,088		$68,088
91000 Total Operating - Administrative	$0	$32,553	$0	$44,948	$595,201	$672,702	$0	$672,702
92000 Asset Management Fee								
92100 Tenant Services - Salaries								
92200 Relocation Costs								
92300 Employee Benefit Contributions - Tenant Services								
92400 Tenant Services - Other								
92500 Total Tenant Services	$0	$0	$0	$0	$0	$0	$0	$0
93100 Water								
93200 Electricity								
93300 Gas								
93400 Fuel								
93500 Labor								
93600 Sewer								
93700 Employee Benefit Contributions - Utilities								
93800 Other Utilities Expense								
93000 Total Utilities	$0	$0	$0	$0	$0	$0	$0	$0
94100 Ordinary Maintenance and Operations - Labor		$18,159				$18,159		$18,159
94200 Ordinary Maintenance and Operations - Materials and Other					$153	$153		$153
94300 Ordinary Maintenance and Operations Contracts					$555	$555		$555
94500 Employee Benefit Contributions - Ordinary Maintenance		$18,624				$18,624		$18,624
94000 Total Maintenance	$0	$36,783	$0	$0	$708	$37,491	$0	$37,491
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	$0	$0
96110 Property Insurance								
96120 Liability Insurance								
96130 Workmen's Compensation					$7,100	$7,100		$7,100
96140 All Other Insurance					$17,483	$17,483		$17,483

	Project Total	6.2 Component Unit - Blended	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
96100 Total insurance Premiums	$0	$0	$0	$0	$24,583	$24,583	$0	$24,583
96200 Other General Expenses		$175			$25,498	$25,673		$25,673
96210 Compensated Absences								
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	$0	$175	$0	$0	$25,498	$25,673	$0	$25,673
96710 Interest of Mortgage (or Bonds) Payable								
96720 Interest on Notes Payable (Short and Long Term)					$6,171	$6,171		$6,171
96730 Amortization of Bond Issue Costs								
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$6,171	$6,171	$0	$6,171
96900 Total Operating Expenses	$0	$69,511	$0	$44,948	$652,161	$766,620	$0	$766,620
97000 Excess of Operating Revenue over Operating Expenses	$0	$676,188	$84,891	$1,090,075	$8,889,237	$10,740,391	$0	$10,740,391
97100 Extraordinary Maintenance								
97200 Casualty Losses - Non-capitalized								
97300 Housing Assistance Payments				$1,072,510	$8,822,937	$9,895,447		$9,895,447
97350 HAP Portability-In								
97400 Depreciation Expense					$30,604	$30,604		$30,604
97500 Fraud Losses								
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense								
90000 Total Expenses	$0	$69,511	$0	$1,117,458	$9,505,702	$10,692,671	$0	$10,692,671
10010 Operating Transfer In								
10020 Operating transfer Out								
10030 Operating Transfers from/to Primary Government								
10040 Operating Transfers from/to Component Unit								
10050 Proceeds from Notes, Loans and Bonds								
10060 Proceeds from Property Sales								

	Project Total	6.2 Component Unit - Blended	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
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)	$0	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$0	$676,188	$84,891	$17,565	$35,696	$814,340	$0	$814,340
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0		$0
11030 Beginning Equity	$0	$2,087,411	$1,282,121	$9,551	$376,159	$3,755,242		$3,755,242
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors								
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					$411,855	$411,855		$411,855
11180 Housing Assistance Payments Equity					$0	$0		$0
11190 Unit Months Available	0	0	0	948	6984	7932		7932
11210 Number of Unit Months Leased	0	0	0	807	5844	6651		6651
11270 Excess Cash	$0					$0		$0
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

SINGLE AUDIT SECTION

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor:

Assistance Listing Number	Program Title	Pass Through Entity	Federal Expenditures
U.S. Department of Housing and Urban Development			
	Housing Choice Voucher Cluster		
14.871	Section 8 Housing Choice Vouchers	NA	$ 9,539,810
14.879	Mainstream Vouchers	NA	1,135,023
	Total Housing Choice Voucher Cluster		**10,674,833**
Total U.S. Department of HUD			**10,674,833**
Total Federal Awards Expenditures			**$ 10,674,833**

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 December 31, 2025.

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 15-percent de minimis indirect cost rate allowed under Uniform Guidance.

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

FDS line 70600	HUD PHA Grants	$ 10,674,833
		$ 10,674,833

MALCOLM JOHNSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
210 N. Charles Richard Beall Blvd.
DeBary, Florida 32713

Phone (386) 668-6464 Fax (386) 668-6463

office@malcolmjohnsoncompany.com
www.malcolmjohnsoncompany.com

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

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 financial statements of the business-type activities of the Dania Beach Housing Authority (the Authority) for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 20, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 financial statements. 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 20, 2026.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Malcolm Johnson & Company, P.A.

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

DeBary, Florida
July 20, 2026

MALCOLM JOHNSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
210 N. Charles Richard Beall Blvd.
DeBary, Florida 32713

Phone (386) 668-6464 Fax (386) 668-6463

office@malcolmjohnsoncompany.com
www.malcolmjohnsoncompany.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Commissioners
Dania Beach Housing Authority
Dania Beach, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Dania Beach Housing Authority's ("the Authority") compliance with the types of compliance requirements identified as subject to audit 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 December 31, 2025. 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.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance 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 requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of 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 a 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 attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 that we consider to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Malcolm Johnson & Company, P.A.

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

DeBary, Florida
July 20, 2026

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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)?	Yes
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:

Assistance Listing Number	**Name of Federal Program**
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs:	$1,000,000
Auditee qualified as low-risk auditee?	Yes

SECTION II – BASIC FINANCIAL STATEMENT FINDINGS

There were no Basic Financial Statements Findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2025-001 Condition: **Deficiencies Noted in Examination of Housing Choice Voucher Program Participant Files**

In a sample of Twenty-five (25) Housing Choice Voucher Program Participant files the following deficiencies were noted:

The Authority used inconsistent 3rd party income and deduction verification for the Annual and Interim Recertifications performed during the Fiscal Year 2025. The information was not collected from participants in a timely manner resulting in a number of late Annual Recertifications during Fiscal Year 2025. The HCVP participant files were not maintained in a manner that was readily and easily accessible for audit, and the Annual and Interim Recertifications were not fully documented at the time of processing.

Assistance Listing #: 14.871

Questioned Costs: None

Criteria: 24 CFR § 982 requirements for PHA annual recertifications.

Cause/Effect: The Authority's deficiencies in its participant files stems from a lack of certain controls concerning HUD requirements and procedures. The Authority has not been in complete compliance with HUD requirements.

Recommendation: We recommend that the Authority review its internal control procedures over tenant file re-certifications and documentation.

DANIA BEACH HOUSING AUTHORITY
Dania Beach, Florida

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

There were no Prior Audit Findings.

Dania Beach Housing Authority

1101 W. Dania Beach Blvd., Suite 100, Dania Beach, FL 33004
Tele: (954) 920 – 9662 * FAX (954) 920-9677 *TDD (954) 920-8946
daniabha@comcast.net
www.daniabeachhousing.org

Corrective Action Plan – December 31, 2025 Audit Findings

2025-001 Condition: Deficiencies Noted in Examination of Housing Choice Voucher Program Participant Files

Auditor Recommendation: The Authority should review its internal control procedures over tenant file re-certifications and documentation.

Response: The audit indicates there were egregious errors with the participants' files. We agree. Even though 50058 were processed, for over 95% of the participants, there were two issues which made the 50058 submissions inadequate.

1. The 50058's were submitted through Yardi MTCS files, but often records were rejected by PIC. We did not review and resolve the PIC errors in a timely manner. These errors were due to our change in operating programs, from Lindsey to Yardi. In Yardi, we complete biannual inspections and annual recertifications. However, if there were any issues with dates of submissions relative to date either transaction was processed, they often failed in the PIC submission. It takes a great deal of work and effort to go back and fix these issues, and we got very behind and finally hired a consultant to assist us with the cleanup.

2. The second issue is more concerning. Our two Section 8 analysts completed 50058 for recertifications and interims but often did not include the back up in the electronic file or the paper file for the participant. They also made many calculation issues, rule issues, and would forget to process the 50058 all the way through. Even when the system showed there might be an error of some type, they did not clear those errors before submitting.

    a. As background, we implemented Yardi in August 2024. It took several months to a year to clean the data that was put into the system by the Yardi implementation team.
    b. Our Section 8 analysts had over 15 days of on-site personal training with Yardi trainers and provided a great deal of documentation for each module/class.
    c. Our Section 8 analysts have both completed a Section 8 Certification course with industry leaders like Nan McKay.
    d. We are a four-person office, so our Section 8 analyst have access to two other people in the office as well as a contractor who has 25 years of housing experience with Fort Lauderdale Housing and Yardi implementation a year before us. The contractor is on site for 4 ½ hours on Wednesday and available via email and phone. She has provided process documents, instructions, and sometimes multiple times for the same issue.
    e. The workload on both Section 8 analysts has been reduced. Each analyst is responsible for approximately 235 files, interims and recertifications. The inspections are mostly outsourced, and analysts only get involved with placing abatements.

f. The failure to complete the recertifications when they are incorrect relative to information and calculations, and not maintaining the backup documentation is inexcusable.

g. These issues were discovered before the auditor came on site, when we started up our file audits and we shared our findings with the auditor when they came on site. The auditor came to the same opinion as us.

Therefore, to correct this situation, we are taking the following steps and implementing several processes to ensure the files are in line with HUD's standards.

1. Every 50058 processed will have to be printed, and management will review the 50058, changes made, calculations, and all pertinent information including family composition, answers on recertification packages, et. The manager will sign and date and file the record.
2. The agency will continue to randomly select 15 – 25 files for spot audit each month relative to last interim and annual recertification. The sample will depend on the number of files processed for the month.
3. The Housing Authority will run recertification and inspection reports at least twice a month to ensure all recertifications and inspections due are being completed timely and not processed as late transactions.
4. The agency will continue training and retraining for all employees. This has been ongoing for several years including HOTMA, NSpire, calculating HAP, verifying eligibility, reviewing deductions, processing reasonable accommodations requests to name a few.
5. We have implemented a no override policy for any information in Yardi including dates, payment standards, etc. without Executive Director approval.
6. We have implemented that all reasonable accommodation requests must be signed by the Assistant Executive Director or the Executive Director.
7. We are looking at purchasing licensing software solutions such as Monday which helps manage daily tasks.
8. We have already documented some of the egregious transactions for each analyst and will continue to do so. If there is no improvement over time, counseling may include termination of employment.

We hope these steps will reverse the errors with the files immediately. If there is time available, we plan to start a review of every file to make corrections. We are currently doing that with about forty participants who appeared in the EIV/IVT report. We have been meeting with each head of household and correcting records or executing a repayment agreement.

Timeframe: By FYE December 31, 2026

Individual responsible for correction: Ms. Anne Castro, Executive Director

Anne Castro 7/21/2026

Signature of Executive Director Date