

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

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

FOR THE YEAR ENDED DECEMBER 31, 2023

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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
Alachua County Housing Authority
Gainesville, Florida

HUD, Jacksonville Area Office
Charles Bennett Federal Building
400 W. Bay Street, Suite 1015
Jacksonville, Florida 32202-4410

Opinions

We have audited the accompanying financial statements of the business-type activities of the Alachua County Housing Authority (the Authority) as of and for the year ended December 31, 2023, 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, 2023, 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. 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 combining financial statements, Financial Data Schedule, and the other Supplementary 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and the Financial Data Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated July 10, 2024 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 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.
Certified Public Accountants

DeBary, Florida
July 10, 2024

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

As management of the Alachua County Housing Authority (the Authority), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Amanda Nazaro, Executive Director, Alachua County Housing Authority, 703 Northeast 1st Street, Gainesville, FL 32601.

Financial Highlights

- The assets of the Authority exceeded its liabilities as of December 31, 2023, by \$12,442,563 (net position).
- The Authority's total cash and investment balance as of December 31, 2023, was \$5,254,831 representing a decrease of \$799,547 from 2022.
- The Authority had revenue from the U.S. Department of Housing and Urban Development (HUD) of \$12,165,436, which includes funds for capital asset activities.
- Public housing has maintained occupancy of 99% for the fiscal year.
- In 2023, the Authority continued their participation in the HUD-VASH program. The program provides rental assistance for homeless veterans with case management and clinical services. The Authority provides monthly rental assistance to 355 veterans, with the availability to assist 533. For the 2023 fiscal year, the Authority expended \$2,695,892 in rental assistance to veterans. The coronavirus negatively affected the availability of candidates and VA caseworkers as this is a referral-based program from the VA.
- In 2023, the Authority provided monthly rental assistance to 179 families with disabled household members and expended \$1,750,349 in rental assistance to these families.
- In 2021, the Authority was awarded Foster Youth vouchers which provide housing to clients aging out of the foster care system as well as 24-month TBRA vouchers to assist families with school aged children. For the 2023 fiscal year, the Authority expended \$31,144 in rental assistance to these 3 eligible clients.
- In 2022, the Authority partnered with Alachua County to provide housing under a pilot program called Partners in Hope to support 10 families for 2 years. The total funding for this program is \$200,000. For the 2023 fiscal year, the Authority expended \$64,318 in rental assistance to these families.
- The Authority owns the Sunshine Inn which provides low-income housing to veterans and the homeless. It is currently leased to HUD-VASH voucher holders.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023
(Continued)

Overview of Financial Statements

The financial statements included in this annual report are those of a special-purpose government engaged in a single business-type activity prepared on an accrual basis. Over time, significant changes in the Authority's net position serve as a useful 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 capital assets. The following statements are included:

- **Statement of Net Position**—reports the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at the end of the fiscal year. You can think of the Authority's net position as the difference between what the Authority owns (assets and deferred outflows of resources) and what the Authority owes (liabilities and deferred inflows of resources).
- **Statement of Revenues, Expenses, and Changes in Net Position**—presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and cash outflows in future periods.
- **Statement of Cash Flows**—presents information showing the total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt service, prior period obligations, etc.). In addition, this statement reflects the receipt of cash that was obligated to the Authority in prior periods and subsequently received during the current fiscal year (i.e. accounts receivable, notes receivable, etc.).
- **Notes to the Basic Financial Statements**—provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding to the overall activity of the Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Authority may face.

In addition to the basic financial statements listed above, our report includes supplemental information. This information is to provide more detail on the Authority's various programs and the required information mandated by regulatory bodies that fund the Authority's various programs.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023
(Continued)

Financial Analysis

Statement of Net Position			
	2023	2022	Net Change
Current assets	\$ 5,479,410	\$ 6,284,004	\$ (804,594)
Other assets	111,405	8,888	102,517
Capital assets, net	7,879,026	7,597,617	281,409
Total assets	\$ 13,469,841	\$ 13,890,509	\$ (420,668)
Current liabilities	\$ 503,088	\$ 591,175	\$ (88,087)
Long-term debt	361,312	366,792	(5,480)
Other noncurrent liabilities	162,878	199,527	(36,649)
Total liabilities	1,027,278	1,157,494	(130,216)
Net investment in capital assets	7,537,271	7,185,851	351,420
Restricted net position	188,900	176,128	12,772
Unrestricted net position	4,716,392	5,371,036	(654,644)
Total net position	12,442,563	12,733,015	(290,452)
Total liabilities and net position	\$ 13,469,841	\$ 13,890,509	\$ (420,668)

Current Assets—decreased by \$804,594 primarily due to utilizing reserves for hap payments and repairs and maintenance in the Public Housing Department.

Other Assets—increased by \$102,517 due to the implementation of GASB 87 and GASB 96.

Net Capital Assets— increased by \$281,409 which was related to the replacement of AC units in all of Rocky Point.

Total Liabilities—decreased by \$130,216 primarily due to a reduction in unearned revenue from the Partners in Hope program, as well as a decrease in capital fund invoices payable at the end of the year, HAP funds due back to HUD for the Mainstream and SRO programs and accrued compensated absences.

Net Position—the difference between an organization's assets plus deferred outflows of resources and its liabilities plus deferred inflows of resources is its net position. Net position is categorized as one of three types.

1. **Net Investment in Capital Assets** - capital assets, net of accumulated depreciation and related debt reflects the capital asset balance net of accumulated depreciation and associated long-term debt, which as of December 31, 2023 is \$7,537,271.
2. **Restricted** - the Authority's net position whose use is subject to constraints imposed by law or agreement. As of December 31, 2023, the Authority had \$188,900 of funds reserved as restricted net position, all of which is associated with insurance proceeds set aside for construction of new public housing units.
3. **Unrestricted** - the Authority's net position that are neither invested in capital assets nor restricted which changes principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors. The Authority has \$4,716,392 in unrestricted net position as of December 31, 2023. The Authority's net position is designated for housing purposes.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023
(Continued)

Financial Analysis (Continued)

Statement of Revenues, Expenses, and Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>Net Change</u>
Operating revenues			
Rental revenue	\$ 657,802	\$ 534,295	\$ 123,507
HUD grants	11,412,070	11,805,610	(393,540)
Other governmental grants	64,318	-	64,318
Other revenue	251,689	665,195	(413,506)
Total Operating revenues	<u>12,385,879</u>	<u>13,005,100</u>	<u>(619,221)</u>
Operating expenses			
Administrative	1,902,959	1,892,764	10,195
Utilities	60,278	61,916	(1,638)
Ordinary Maintenance	1,876,074	1,250,536	625,538
Protective services	73,436	-	73,436
Insurance	262,882	155,520	107,362
General expenses	381,244	426,954	(45,710)
Housing assistance payments	8,381,208	8,129,290	251,918
Depreciation	493,143	495,465	(2,322)
Total Operating expenses	<u>13,431,224</u>	<u>12,412,445</u>	<u>1,018,779</u>
Operating income (loss)	<u>(1,045,345)</u>	<u>592,655</u>	<u>(1,638,000)</u>
Non-Operating revenues (expenses)			
Interest revenue, unrestricted	114,199	30,667	83,532
Interest expense	(24,456)	(22,441)	(2,015)
Fraud recovery	17,904	3,256	14,648
Gain/(loss) on disposition of capital assets	(106,120)	(11,752)	(94,368)
Total Non-Operating revenues	<u>1,527</u>	<u>(270)</u>	<u>1,797</u>
Capital contributions	<u>753,366</u>	<u>566,173</u>	<u>187,193</u>
Net position, beginning of year	<u>12,733,015</u>	<u>11,574,457</u>	<u>1,158,558</u>
Net position, end of year	<u>\$ 12,442,563</u>	<u>\$ 12,733,015</u>	<u>\$ (290,452)</u>

Total Operating Revenue—decreased \$619,211 in fiscal year 2023. The primary cause was a decrease in HAP funding for the Housing Choice, SRO, and TBRA voucher programs and the HUD Operating subsidy lawsuit proceeds received in 2022.

Operating Expenses—are categorized by the Authority as administrative, utilities, maintenance, insurance, general, depreciation expense and housing assistance payments.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023
(Continued)

Financial Analysis (Continued)

Total Operating Expenses—increased by \$1,018,779 during fiscal year ending 2023 as compared to the fiscal year ending 2022. This is primarily a result of an increase in HAP payments for voucher programs as well as an increase in expenses related to installation of CO detectors in all public housing units, unit turns, plumbing repairs, and major rehab of the public housing units. There was also a substantial increase in insurance premiums in 2023.

Total Non-Operating Revenue and Expenses—increased by \$1,797 due to an increase in interest income.

Capital Asset and Debt Activity

The net increase in capital assets of \$281,409 was net of current year depreciation expense of \$493,143.

At the end of the fiscal year 2023 the Authority had debt related to the mortgage note entered into by the Authority to purchase the Sunshine Inn. The Authority owed \$341,754 on this mortgage note as of December 31, 2023. The mortgage was refinanced in September 2020 for another ten years at the same 4.5% interest rate. The Authority made additional principal payments of \$15,000 in 2023 on this note.

Factors Affecting 2024 Budget

The Authority is primarily dependent upon HUD for the funding of its Low Rent Public Housing, Housing Choice Voucher and Capital Fund programs; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2024 federal budget.

Economic Factors

Significant economic factors and decisions affecting the Authority are as follows:

- Federal funding provided by Congress to 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 gas prices, utility rates, housing costs, supplies and other costs.
- Impact of the COVID-19 global pandemic.
- Availability of VA caseworkers for veteran referrals.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS	
Current assets	
Cash and cash equivalents, unrestricted	\$ 887,040
Cash and cash equivalents, restricted	330,878
Investments, unrestricted	4,036,913
Accrued interest receivable	42
Accounts receivable, net of allowance	68,339
Due from other governments	70,343
Inventories, net of obsolescence	81,703
Prepaid expense	4,152
Total current assets	<u>5,479,410</u>
Noncurrent assets	
Other assets	
Notes and mortgages receivable	2,083
Leased assets	109,322
Total other assets	<u>111,405</u>
Capital assets	
Not being depreciated	1,857,947
Depreciable, net	6,021,079
Total capital assets, net	<u>7,879,026</u>
Total noncurrent assets	<u>7,990,431</u>
Total assets	<u>13,469,841</u>
Deferred Outflow of Resources	<u>-</u>
Total Assets and Deferred Outflow of Resources	<u>13,469,841</u>
LIABILITIES	
Current liabilities	
Vendors and contractors payable	70,255
Accrued wages/taxes payable	26,995
Accrued compensated absences	81,438
Accrued interest payable	474
Due to other governments	6,799
Unearned revenue	53,574
Notes and bonds payable	81,211
Other current liabilities	39,375
Other accrued liabilities	989
Resident security deposits	141,978
Total current liabilities	<u>503,088</u>
Noncurrent liabilities	
Notes and bonds payable	361,312
Accrued compensated absences	162,878
Total noncurrent liabilities	<u>524,190</u>
Total liabilities	<u>1,027,278</u>
Deferred Inflow of Resources	<u>-</u>
Total Liabilities and Deferred Inflow of Resources	<u>1,027,278</u>
NET POSITION	
Net investment in capital assets	7,537,271
Restricted	188,900
Unrestricted	4,716,392
Total net position	<u>\$ 12,442,563</u>

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

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Operating revenues	
Rental revenue	\$ 657,802
HUD grants	11,412,070
Other governmental grants	64,318
Other revenue	251,689
Total operating revenues	<u>12,385,879</u>
Operating expenses	
Administrative	1,902,959
Utilities	60,278
Ordinary maintenance & operation	1,876,074
Protective services	73,436
Insurance	262,882
General expenses	381,244
Housing assistance payments	8,381,208
Depreciation	493,143
Total operating expenses	<u>13,431,224</u>
Operating income (loss)	<u>(1,045,345)</u>
Nonoperating revenues (expenses)	
Interest revenue, unrestricted	114,199
Interest expense	(24,456)
Fraud recovery	17,904
Gain/(loss) on disposition of capital assets	(106,120)
Total nonoperating revenues	<u>1,527</u>
Income (loss) before transfers	<u>(1,043,818)</u>
Capital contributions	<u>753,366</u>
Increase (decrease) in net position	<u>(290,452)</u>
Net position, beginning of year	<u>12,733,015</u>
Net position, end of year	<u><u>\$ 12,442,563</u></u>

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

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows From Operating Activities	
Receipts from dwelling rentals	\$ 635,575
Operating grants	11,474,052
Receipts from fees	(14,259)
Other receipts	199,758
Payments to employees and suppliers	(4,694,700)
Payments to landlords and residents	(8,381,208)
Net cash provided (used) by operating activities	<u>(780,782)</u>
 Cash Flows From Noncapital Financing Activities	
Principal paid on operating debt	90,961
Interest paid on operating debt	(7,194)
Net cash provided (used) by noncapital financing activities	<u>83,767</u>
 Cash Flows From Capital and Related Financing Activities	
Capital contributions	753,366
Purchases of capital assets	(880,963)
Gain or loss on disposition of capital assets	290
Proceeds from (payment on) capital debt	(70,011)
Interest paid on capital debt	(17,289)
Net cash provided (used) by capital and related financing activities	<u>(214,607)</u>
 Cash Flows From Investing Activities	
Purchase of investments	(471,264)
Proceeds from land lease - net	(2,083)
Interest	114,158
Net cash provided (used) by investing activities	<u>(359,189)</u>
 Net increase (decrease) in cash and cash equivalents	 (1,270,811)
Balance - beginning of the year	<u>2,488,729</u>
Balance - end of the year	<u>\$ 1,217,918</u>
 Reconciliation of Cash Flows to Statement of Net Position	
Cash and cash equivalents, unrestricted	\$ 887,040
Cash and cash equivalents, restricted	330,878
	<u>\$ 1,217,918</u>

There are no non-cash transactions.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)

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

Operating income/(loss)	\$ (1,045,345)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:	
Depreciation elimination	493,143
Increase in accounts receivable	(23,908)
Decrease in due to/from other governments	5,244
Decrease in due to/from other programs	(26,736)
Decrease in prepaid expenses	8,511
Increase in other assets	(100,434)
Increase in security deposits	284
Decrease in accounts payable	(55,518)
Decrease in accrued wages	(1,661)
Decrease in accrued compensated absences	(18,325)
Increase in unearned revenue	(20,853)
Decrease in accrued liabilities	(13,088)
Other revenue and expense reported as nonoperating	17,904
	<u><u>\$ (780,782)</u></u>

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

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

A - Summary of Significant Accounting Policies and Organization:

1. **Organization:** Alachua County 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 units.

During 2013, the Authority created Alachua Housing Developer, LLC (the Development LLC) to facilitate partnerships with private developers to create affordable housing. In 2022, the Authority created ACHA Merrillwood I, to apply for tax credits. There was no financial activity for these units in year ended December 31, 2023.

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) **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.
 - b) **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.
 - c) **Housing Assistance Payments Programs:** Housing Assistance Payments Programs utilize existing privately-owned family rental housing units to provide decent and affordable housing to low-income families. The Section 8 Housing Choice Vouchers Program (HCV), Section 8 Moderated Rehabilitation Single Room Occupancy Program (SRO) and the Mainstream Disabled Voucher Program are funded through federal housing assistance contribution from HUD for the difference between the approved landlord contract rent and the rent paid by the tenant. In addition, the Authority receives an administrative fee to cover operating expenses.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Continued)

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

3. Summary of HUD and Other Authority Programs: (Continued)

d) Tenant Based Rental Assistance: The TBRA program provides for 24 months of housing assistance payments to private owners of residential units on behalf of eligible homeless families who have children in the Alachua County School District. The payments cover the difference between the maximum rental on a dwelling unit and the amount of rent contribution by a participating family. The cost of security and utility deposits are also covered in addition to related administrative expenses. Florida Housing Finance Corporation contributions for the year ended December 31, 2023 were \$13,245.

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.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Continued)

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

- 7. Interprogram Receivables and Payables:** Interprogram receivables/payables, when present, 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.
- 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 December 31, 2023 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.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023
(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 of completion.

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

Buildings	40 years
Building modernization	15 years
Furniture and equipment	5-10 years

- c. Maintenance and Repairs Expenditures:** Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$5,000 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 has been and is currently involved in various activities in conjunction with its modernization programs. In accordance with *Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets"*. Under the provisions of the statement, long-lived assets are to be reviewed for impairment. Application for measurement of long-lived assets should be at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. The Authority has reviewed and determined there was no impairment of long-lived assets during year ending December 31, 2023.
- 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.
- 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.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Continued)

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

- 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.
- 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.

At December 31, 2023, 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.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Continued)

B - Deposits and Investments: (Continued)

- 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.

The carrying amounts of the Authority's cash deposits were \$1,217,918 at December 31, 2023. Bank balances before reconciling items were \$1,404,120 at that date, the total amount of which was collateralized or insured with securities held by an unaffiliated banking institution in the Authority's name. The Authority's investments consist of certificates of deposit with original maturities greater than three (3) months of \$4,036,913.

C - Accounts Receivable:

Dwelling rents (net of allowance for doubtful accounts of \$32,424)	\$ 39,719
Miscellaneous (net of allowance for doubtful accounts of \$1,078)	20,169
Fraud recovery (net of allowance for doubtful accounts of \$34.31)	<u>8,451</u>
	<u>\$ 68,339</u>

D - Due From Other Governments:

Other Public Housing Authorities (net of allowance for doubtful accounts of \$-0-)	\$ 374
U.S. Department of Housing and Urban Development (HUD)	67,071
County of Alachua, Florida	<u>2,898</u>
	<u>\$ 70,343</u>

E - Prepaid Expenses:

Prepaid Insurance	\$ 579
Prepaid Services	<u>3,573</u>
	<u>\$ 4,152</u>

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Continued)

F - Land, Buildings and Equipment:

	<u>Balance December 31, 2022</u>	<u>Additions</u>	<u>Retirements & Dispositions</u>	<u>Transfers</u>	<u>Balance December 31, 2023</u>
Not being depreciated:					
Land	\$ 1,834,215	\$ -	\$ -	\$ -	\$ 1,834,215
Construction in progress	107,118	-	-	(83,386)	23,732
Total not being depreciated	<u>1,941,333</u>	<u>-</u>	<u>-</u>	<u>(83,386)</u>	<u>1,857,947</u>
Depreciable:					
Buildings & improvements	18,652,837	561,559	(2,881,074)	83,386	16,416,708
Accumulated depreciation	(13,107,578)	(468,905)	2,774,664	-	(10,801,819)
Net buildings & improvements	<u>5,545,259</u>	<u>92,654</u>	<u>(106,410)</u>	<u>83,386</u>	<u>5,614,889</u>
Equipment	365,570	319,404	-	-	684,974
Accumulated depreciation	(254,545)	(24,239)	-	-	(278,784)
Net equipment	<u>111,025</u>	<u>295,165</u>	<u>-</u>	<u>-</u>	<u>406,190</u>
Net depreciable assets	<u>5,656,284</u>	<u>387,819</u>	<u>(106,410)</u>	<u>83,386</u>	<u>6,021,079</u>
TOTAL	<u>\$ 7,597,617</u>	<u>\$ 387,819</u>	<u>\$ (106,410)</u>	<u>\$ -</u>	<u>\$ 7,879,026</u>

G - Due to Other Governments:

U.S. Department of Housing and Urban Development (HUD) **\$ 6,799**

H - Unearned Revenue:

Prepaid Tenant Rents \$ 11,408
HAP/Admin – TBRA 6,484
Business Activities – Partners in Hope 35,682

\$ 53,574

I - Long-Term Debt:

At December 31, 2023, long-term debt consists of the following:

Sunshine Inn Note Payable – The Authority entered into two notes payable of \$663,000 through SunTrust Bank on September 22, 2015. The notes have an interest rate of 4.50% and 5% respectively and are payable over five (5) years with the final payment to be made on September 22, 2030. The notes are secured by the land, building, improvements and fixtures related to the Sunshine Inn. The Authority has also pledged rental revenues received from Sunshine Inn to repay the mortgage balance outstanding at December 31, 2023. The \$663,000 loan (Note 1) is a term loan containing annual payments as listed below:

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Continued)

I - Long-Term Debt: (Continued)

	Note 1
Holder	SunTrust
Maturity Date	September 22, 2030
Interest Rate	4.50%
Original Amount	\$ 663,000
Monthly Payment	\$ 5,094
December 31, 2023 balance	\$ 341,754
Interest Expense for the year ended:	
December 31, 2023	\$ 17,289

	Note 1
2024	\$ 46,861
2025	49,092
2026	51,379
2027	53,773
2028	56,261
2029-2030	84,388
	341,754
Less: Current Portion	46,861
Total	\$ 294,893

* Note 1 is a term loan containing a final balloon payment of approximately \$480,337 on September 22, 2020. The Authority refinanced the outstanding balance on the date due.

Interest expense for the year ended December 31, 2023 was \$17,289. There was no capitalized interest expense for the year ended December 31, 2023.

The debt is secured by the property purchased in conjunction with the above financing as reported above.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Continued)

J - Capitalized Leases:

1. **GASB 87 – Leases:** The Authority is leasing two postage machines and two copy machines. The main office postage machine has a quarterly payment of \$431.25 with a 8.84% interest rate which began January 7, 2023. The Sunshine Inn postage machine has a quarterly payment of \$90.00 with an 8.56% interest rate which began June 1, 2022. The copy machines have a monthly payment of \$517.26 with a 17.16% interest rate which began June 8, 2018.

The Authority entered into a new lease for office space in Newberry. That lease is a 2-year lease which began on August 1, 2023, and has a monthly payment of \$425.00 and a 5.55% interest rate. The future lease payment maturity schedule is presented below:

Postage Machine Main Office:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 1,257	\$ 468	\$ 1,725
2025	1,371	353	1,724
2026	1,497	228	1,725
2027	1,634	91	1,725
	<u>\$ 5,759</u>	<u>\$ 1,140</u>	<u>\$ 6,899</u>

Postage Machine Sunshine Inn:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 414	\$ 36	\$ 450
2025	88	2	90
	<u>\$ 502</u>	<u>\$ 38</u>	<u>\$ 540</u>

Copy Machine Main Office:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 3,422	\$ 199	\$ 3,621

Newberry Office:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 4,012	\$ 238	\$ 4,250
2025	2,923	54	2,977
	<u>\$ 6,935</u>	<u>\$ 292</u>	<u>\$ 7,227</u>

Total:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 9,105	\$ 941	\$ 10,046
2025	4,382	409	4,791
2026	1,497	228	1,725
2027	1,634	91	1,725
	<u>16,618</u>	<u>\$ 1,669</u>	<u>\$ 18,287</u>
Less current	<u>9,105</u>		
Long Term	<u>\$ 7,513</u>		

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Continued)

J - Capitalized Leases: (Continued)

2. **GASB 96 Leases - Subscription Based Information Technology Arrangements (SBITAS):** The Authority has one contract for subscription-based software with their HUD software provider MRI. Payments with a 5% interest rate and an assumed 5% annual increase are made annually. This agreement began September 1, 2022, and 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:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 25,245	\$ 4,208	\$ 29,453
2025	27,980	2,945	30,925
2026	30,925	1,546	32,471
	<u>\$ 84,150</u>	<u>\$ 8,699</u>	<u>\$ 92,849</u>
Less Current Long Term	<u>25,245</u> <u>\$ 58,905</u>		

K - Schedule of Changes in Noncurrent Liabilities:

	<u>Balance at December 31, 2022</u>		<u>Year Ended December 31, 2023</u>		<u>Balance at December 31, 2023</u>	
	<u>Long-term Portion</u>	<u>Current Portion</u>	<u>Additions</u>	<u>Payments</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Notes payable	\$ 366,792	\$ 54,781	\$ 100,696	\$ (79,746)	\$ 81,211	\$ 361,312
Accrued compensated absences	199,527	99,763	74,938	(129,912)	81,438	162,878
	<u>\$ 566,319</u>	<u>\$ 154,544</u>	<u>\$ 175,634</u>	<u>\$ (209,658)</u>	<u>\$ 162,649</u>	<u>\$ 524,190</u>

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Continued)

L - Annual Contributions by Federal Agencies:

Low Rent Public Housing - 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 December 31, 2023 were \$1,744,107. HUD also contributed additional funds for modernization and operations in the amount of \$1,360,454 for the year ended December 31, 2023.

Housing Choice and Mainstream Voucher Cluster Programs - The Section 8 Housing Choice Voucher program provides for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families, including payments made on behalf of Veterans referred via the HUD-VASH Program and teens aging out of the foster care system. The Mainstream Voucher program provides assistance for families with disabilities. The payments cover the difference between the maximum rental on a dwelling unit and the amount of rent contribution by a participating family. HUD also funds related administrative expenses. HUD contributions for the year ended December 31, 2023 were \$9,032,379.

Section 8 Moderate Rehabilitation Single Room Occupancy - HUD provides for housing assistance payments to private owners of residential units on behalf of eligible low-income single individuals. The program payments cover the difference between the maximum rental on a dwelling unit and the amount of rent contribution by a participating family. HUD also funds related administrative expenses. HUD contributions for the year ended December 31, 2023 were \$95,274.

HOME Investment Partnerships Program (HOME) – This program provides assistance to individual households to help them afford the housing costs of market-rate units. These programs are known as “Tenant-Based Rental Assistance,” or TBRA. The program provides payments to make up the difference between the amount a household can afford to pay for housing and the local rent standards. HUD Contributions for the year ended December 31, 2023 were \$13,245.

M - Defined Contribution Pension Plan: The Authority provides pension benefits for all its employees that work 1,000 hours annually through a defined contribution plan. The plan is administered by Mutual of America Life Insurance Company. 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 at least twenty-one (21) years old are eligible to participate one year from the date of employment. The Authority contributes 4.5% of the employee's compensation each month, while the employee does not contribute. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after 5 years of continuous service, or until age 65, whichever is first. In 2016, the Authority has amended their pension plan to comply with PIH Notice 2005-3 with respect to plan forfeitures. No plan costs were misapplied during the year.

The Authority's total payroll in fiscal year 2023 was \$1,658,324. The Authority's contributions were calculated using \$1,478,406. The Authority made the required contributions amounting to \$66,528.

N - 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, 68, or 75.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Continued)

O - 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.

P - Commitments and Contingencies:

Legal - In the normal course of operations, the Authority may be party to various pending or threatened legal actions. Although the outcome of these lawsuits is not presently determinable, it is management's opinion that these matters will not have a material adverse effect on the financial condition of the Authority.

Grants and Contracts - The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority.

The Authority has received six (6) properties from Alachua County, Florida (the County), as part of the Neighborhood Stabilization Program. Each property is secured with a zero percent interest deferred mortgage loan, payable only if properties are sold prior to maturity of the mortgages on September 16, 2026. The balance is forgiven if the Authority maintains the units as permanent affordable rental housing for a period of 15 years. As of December 31, 2023, mortgages on the properties amount to \$745,000 with 3 years remaining until debt is forgiven. No liability has been recorded in the financial statements as it is unlikely that the properties will be sold prior to maturity of the mortgages.

Q - Construction Commitments: The Authority is engaged in a modernization program funded by HUD. In this regard, the Authority has entered into construction-type contracts with approximately \$39,375 remaining until completion.

R - 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.

S - 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.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Continued)

- T - 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 transfers from the Capital Fund Program to Low Income Housing Program during the year ended December 31, 2023.

- U - 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' opinion and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

- V - Related Party Transactions:** The Authority has entered into Interlocal Agreements with Alachua County and the City of Gainesville to provide services and receive access to resources for the benefit of individuals that are homeless or at risk of becoming homeless.

SUPPLEMENTARY INFORMATION

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2023

14.228

	Community Dev Block	14.239 Home Investment Partnerships Program	14.249 Sec 8 Mod Rehab Single Room Occupancy Program	14.871 Housing Choice Vouchers	14.879 Mainstream Voucher Program	1 Business Activities	Total 2023
ASSETS							
Current assets							
Cash and cash equivalents, unrestricted	\$ 543,052	\$ 40,768	\$ 8,817	\$ 32,128	\$ 56,998	\$ 158,571	\$ 887,040
Cash and cash equivalents, restricted	304,650	5,600	-	-	-	20,628	330,878
Investments, unrestricted	2,729,312	-	-	40,234	603,508	533,099	4,036,913
Accrued interest receivable	42	-	-	-	-	-	42
Accounts receivable, net of allowance	45,515	726	-	-	1,723	20,375	68,339
Due from other governments	46,880	2,898	-	-	15,706	-	70,343
Due from/to other programs	433,000	-	-	-	4,859	-	-
Inventories, net of obsolescence	77,915	-	-	-	-	(433,000)	-
Prepaid expense	4,152	-	-	-	-	3,788	81,703
							4,152
Total current assets	4,184,518	49,992	8,817	72,362	677,935	303,461	5,479,410
Noncurrent assets							
Other assets							
Notes and mortgages receivable	2,083	-	-	-	-	-	2,083
Leased assets	109,322	-	-	-	-	-	109,322
Total other assets	111,405						111,405
Capital assets							
Not being depreciated	1,239,071	133,876	-	-	-	485,000	1,857,947
Depreciable, net	4,599,065	446,688	-	-	20,433	954,893	6,021,079
Total capital assets, net	5,838,136	580,564			20,433	1,439,893	7,879,026
Total noncurrent assets	5,949,541	580,564			20,433	1,439,893	7,990,431
Total assets	10,134,059	630,556	8,817	72,362	698,368	1,743,354	13,469,841
Deferred Outflow of Resources							
Total Assets and Deferred Outflow of Resources	10,134,059	630,556	8,817	72,362	698,368	1,743,354	13,469,841
LIABILITIES							
Current liabilities							
Vendors and contractors payable	57,603	641	-	-	6,083	4,952	70,255
Accrued wages/taxes payable	16,856	-	-	-	9,864	-	26,995
Accrued compensated absences	57,269	-	-	-	24,169	-	81,438
Accrued interest payable	-	-	-	-	-	474	474
Due to other governments	-	-	-	6,799	-	-	6,799
Unearned revenue	9,629	71	6,485	-	-	37,389	53,574
Notes and bonds payable	34,350	-	-	-	-	46,861	81,211
Other current liabilities	39,375	-	-	-	-	-	39,375
Other accrued liabilities	-	-	-	-	-	989	989
Resident security deposits	115,750	5,600	-	-	-	20,628	141,978
Total current liabilities	330,832	6,312	6,485	6,799	40,116	111,293	503,088

Noncurrent liabilities									
Notes and bonds payable	66,418	-	-	-	-	-	-	294,894	361,312
Accrued compensated absences	114,539	-	-	48,339	-	-	-	-	162,878
Total noncurrent liabilities	180,957	-	-	48,339	-	-	-	294,894	524,190
Total liabilities	511,789	6,312	6,485	6,799	6,799	1,251	1,251	406,187	1,027,278
Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflow of Resources	511,789	6,312	6,485	6,799	6,799	1,251	1,251	406,187	1,027,278
NET POSITION									
Net investment in capital assets	5,838,136	580,564	-	-	-	20,433	-	1,098,138	7,537,271
Restricted	188,900	-	-	-	-	-	-	-	188,900
Unrestricted	3,595,234	43,680	2,332	65,563	589,480	181,074	239,029	4,716,392	
Total net position	\$ 9,622,270	\$ 624,244	\$ 2,332	\$ 65,563	\$ 609,913	\$ 181,074	\$ 1,337,167	\$ 12,442,563	

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	14.228		14.239 Home		14.249 Sec 8 Mod		14.871 Housing		14.879		Total 2023
	Community Dev Block	Investment	Partnerships Program	Rehab Single Room Occupancy	Choice Vouchers	Voucher Program	Mainstream	1 Business Activities			
Operating revenues											
Rental revenue	\$ 328,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 657,802
HUD grants	2,351,195	-	13,245	95,274	7,035,210	1,917,146	-	-	-	-	11,412,070
Other governmental grants	-	-	-	-	-	-	-	-	-	-	64,318
Other revenue	53,344	1,538	-	-	99,059	-	-	-	-	-	251,689
Total operating revenues	2,732,803	72,287	13,245	95,274	7,134,269	1,917,146	420,855	12,385,879			
Operating expenses											
Administrative	1,003,927	13,323	7,238	22,944	562,742	204,687	88,098	1,902,959			
Utilities	27,249	76	-	-	-	-	32,953	60,278			
Ordinary maintenance & operation	1,765,018	34,725	-	-	2,551	-	73,780	1,876,074			
Protective services	73,436	-	-	-	-	-	-	73,436			
Insurance	231,245	7,061	-	-	8,071	-	16,505	262,882			
General expenses	186,327	4,420	12,041	-	86,466	1,341	90,649	381,244			
Housing assistance payments	-	-	-	64,020	6,566,839	1,750,349	-	8,381,208			
Depreciation	408,137	16,426	-	-	4,484	-	64,096	493,143			
Total operating expenses	3,695,339	76,031	19,279	86,964	7,231,153	1,956,377	366,081	13,431,224			
Operating income (loss)	(962,536)	(3,744)	(6,034)	8,310	(96,884)	(39,231)	54,774	(1,045,345)			
Nonoperating revenues (expenses)											
Interest revenue, unrestricted	89,592	-	-	1,124	8,447	3,873	11,163	114,199			
Interest expense	(7,167)	-	-	-	-	-	(17,289)	(24,456)			
Fraud recovery	17,704	-	-	-	200	-	-	17,904			
Gain/(loss) on disposition of capital assets	(106,120)	-	-	-	-	-	-	(106,120)			
Total nonoperating revenues	(5,991)	-	-	1,124	8,647	3,873	(6,126)	1,527			
Income (loss) before transfers	(968,527)	(3,744)	(6,034)	9,434	(88,237)	(35,358)	48,648	(1,043,818)			
Capital contributions	753,366	-	-	-	-	-	-	753,366			
Transfers from (to) other programs	-	-	(3,795)	-	-	-	-	3,795			
Increase (decrease) in net position	(215,161)	(3,744)	(9,829)	9,434	(88,237)	(35,358)	52,443	(290,452)			
Net position, beginning of year	9,837,431	627,988	12,161	56,129	698,150	216,432	1,284,724	12,733,015			
Net position, end of year	\$ 9,622,270	\$ 624,244	\$ 2,332	\$ 65,563	\$ 609,913	\$ 181,074	\$ 1,337,167	\$ 12,442,563			

Alachua County (FL070)
Gainesville, FL

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	Project Total	1 Business Activities	14,228 Community Development Block Grants/State's Program	14,879 Mainstream Vouchers	14,239 HOME Investment Partnerships Program	14,871 Housing Choice Vouchers	14,249 Section 8 Moderate Rehabilitation Single Room Occupancy	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$543,052	\$158,571	\$40,768	\$46,706	\$8,817	\$56,998	\$32,128	\$987,040		\$887,040
112 Cash - Restricted - Modernization and Development	\$188,900							\$188,900		\$188,900
113 Cash - Other Restricted										
114 Cash - Tenant Security Deposits	\$115,750	\$20,628	\$5,600					\$141,978		\$141,978
115 Cash - Restricted for Payment of Current Liabilities										
100 Total Cash	\$847,702	\$179,199	\$46,368	\$46,706	\$8,817	\$56,998	\$32,128	\$1,217,918	\$0	\$1,217,918
121 Accounts Receivable - PHA Projects						\$374		\$374		\$374
122 Accounts Receivable - HUD Other Projects	\$46,880			\$4,859		\$15,332		\$67,071		\$67,071
124 Accounts Receivable - Other Government			\$2,898					\$2,898		\$2,898
125 Accounts Receivable - Miscellaneous	\$3,951	\$15,555			\$1,741			\$21,247		\$21,247
126 Accounts Receivable - Tenants	\$60,782	\$10,075	\$1,286					\$72,143		\$72,143
126.1 Allowance for Doubtful Accounts - Tenants	-\$26,609	-\$5,255	-\$560					-\$32,424		-\$32,424
126.2 Allowance for Doubtful Accounts - Other	-\$1,060	\$0	\$0	\$0	\$0	-\$18	\$0	-\$1,078	\$0	-\$1,078
127 Notes, Loans, & Mortgages Receivable - Current										
128 Fraud Recovery	\$11,367					\$515		\$11,882		\$11,882
128.1 Allowance for Doubtful Accounts - Fraud	-\$2,916					-\$515		-\$3,431		-\$3,431
129 Accrued Interest Receivable	\$42							\$42		\$42
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$92,437	\$20,375	\$3,624	\$4,859	\$0	\$17,429	\$0	\$136,724	\$0	\$136,724
131 Investments - Unrestricted	\$2,729,312	\$533,099		\$130,760		\$603,508	\$40,234	\$4,036,913		\$4,036,913
132 Investments - Restricted										
135 Investments - Restricted for Payment of Current Liability										
142 Prepaid Expenses and Other Assets	\$4,152							\$4,152		\$4,152
143 Inventories	\$91,665	\$4,735						\$96,400		\$96,400
143.1 Allowance for Obsolete Inventories	-\$13,750	-\$947						-\$14,697		-\$14,697
144 Inter Program Due From	\$433,000							\$433,000	-\$433,000	\$0
145 Assets Held for Sale										

150	Total Current Assets	\$4,184,518	\$736,461	\$49,992	\$182,325	\$8,817	\$677,935	\$72,362	\$5,912,410	-\$433,000	\$5,479,410
161	Land	\$1,215,339	\$485,000	\$133,876					\$1,834,215		\$1,834,215
162	Buildings	\$13,851,770	\$1,708,709	\$623,688					\$16,184,167		\$16,184,167
163	Furniture, Equipment & Machinery - Dwellings	\$288,267		\$12,312					\$300,579		\$300,579
164	Furniture, Equipment & Machinery - Administration	\$339,550					\$44,845		\$394,395		\$394,395
165	Leasehold Improvements										
166	Accumulated Depreciation	-\$10,113,063	-\$753,816	-\$189,312			-\$24,412		-\$11,080,603		-\$11,080,603
167	Construction in Progress	\$23,732							\$23,732		\$23,732
168	Infrastructure	\$232,541							\$232,541		\$232,541
160	Total Capital Assets, Net of Accumulated Depreciation	\$5,638,136	\$1,439,893	\$580,564	\$0	\$0	\$20,433	\$0	\$7,879,026	\$0	\$7,879,026
171	Notes, Loans and Mortgages Receivable - Non-Current	\$2,083							\$2,083		\$2,083
172	Notes, Loans, & Mortgages Receivable - Non Current - Past Due										
173	Grants Receivable - Non Current										
174	Other Assets	\$109,322							\$109,322		\$109,322
176	Investments in Joint Ventures										
180	Total Non-Current Assets	\$5,949,541	\$1,439,893	\$580,564	\$0	\$0	\$20,433	\$0	\$7,990,431	\$0	\$7,990,431
200	Deferred Outflow of Resources										
290	Total Assets and Deferred Outflow of Resources	\$10,134,059	\$2,176,354	\$630,556	\$182,325	\$8,817	\$698,368	\$72,362	\$13,902,841	-\$433,000	\$13,469,841
311	Bank Overdraft										
312	Accounts Payable <= 90 Days	\$57,603	\$4,952	\$641	\$976		\$6,083		\$70,255		\$70,255
313	Accounts Payable >90 Days Past Due										
321	Accrued Wage/Payroll Taxes Payable	\$16,856			\$275		\$9,864		\$26,995		\$26,995
322	Accrued Compensated Absences - Current Portion	\$57,269					\$24,169		\$81,438		\$81,438
324	Accrued Contingency Liability										
325	Accrued Interest Payable		\$474						\$474		\$474
331	Accounts Payable - HUD PHA Programs							\$6,799	\$6,799		\$6,799
332	Account Payable - PHA Projects										
333	Accounts Payable - Other Government										
341	Tenant Security Deposits	\$115,750	\$20,628	\$5,600					\$141,978		\$141,978
342	Unearned Revenue	\$9,629	\$37,389	\$71		\$6,485			\$53,574		\$53,574
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$46,861						\$46,861		\$46,861
344	Current Portion of Long-term Debt - Operating Borrowings	\$34,350							\$34,350		\$34,350

345 Other Current Liabilities	\$39,375									\$39,375										\$39,375
346 Accrued Liabilities - Other		\$889																		\$889
347 Inter Program - Due To		\$433,000																		\$433,000
348 Loan Liability - Current																				\$0
310 Total Current Liabilities	\$330,832	\$544,293	\$6,312	\$1,251	\$6,485	\$40,116	\$6,799			\$936,088	-\$433,000									\$503,088
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$294,894								\$294,894										\$294,894
352 Long-term Debt, Net of Current - Operating Borrowings	\$66,418									\$66,418										\$66,418
353 Non-current Liabilities - Other																				
354 Accrued Compensated Absences - Non Current	\$114,539					\$48,339				\$162,878										\$162,878
355 Loan Liability - Non Current																				
356 FASB 5 Liabilities																				
357 Accrued Pension and OPEB Liabilities																				
350 Total Non-Current Liabilities	\$180,957	\$294,894	\$0	\$0	\$0	\$48,339	\$0			\$524,190	\$0									\$524,190
300 Total Liabilities	\$511,789	\$839,187	\$6,312	\$1,251	\$6,485	\$88,455	\$6,799			\$1,460,278	-\$433,000									\$1,027,278
400 Deferred Inflow of Resources																				
508.4 Net Investment in Capital Assets	\$5,838,136	\$1,098,138	\$580,564			\$20,433				\$7,537,271										\$7,537,271
511.4 Restricted Net Position	\$188,900									\$188,900										\$188,900
512.4 Unrestricted Net Position	\$3,595,234	\$239,029	\$43,680	\$181,074	\$2,332	\$589,480	\$65,563			\$4,716,392										\$4,716,392
513 Total Equity - Net Assets / Position	\$9,622,270	\$1,337,167	\$624,244	\$181,074	\$2,332	\$609,913	\$65,563			\$12,442,563	\$0									\$12,442,563
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$10,134,059	\$2,176,354	\$630,556	\$182,325	\$9,817	\$698,368	\$72,362			\$13,902,841	-\$433,000									\$13,469,841

**Alachua County (FL070)
Gainesville, FL**

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2023

	Project Total	1 Business Activities	14.228 Community Development Block Grants/State's Program	14.879 Mains/ream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$328,264	\$288,789	\$70,749					\$657,802		\$657,802
70400 Tenant Revenue - Other	\$44,511	\$23,310	\$1,538					\$69,359		\$69,359
70500 Total Tenant Revenue	\$372,775	\$282,099	\$72,287	\$0	\$0	\$0	\$0	\$727,161	\$0	\$727,161
70600 HUD PHA Operating Grants	\$2,351,195			\$1,917,146	\$13,245	\$7,035,210	\$95,274	\$11,412,070		\$11,412,070
70610 Capital Grants	\$753,366							\$753,366		\$753,366
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		\$64,318						\$64,318		\$64,318
71100 Investment Income - Unrestricted	\$89,592	\$11,163		\$3,873		\$9,447	\$1,124	\$114,199		\$114,199
71200 Mortgage Interest Income										
71300 Proceeds from Disposition of Assets Held for Sale										
71310 Cost of Sale of Assets										
71400 Fraud Recovery	\$17,704					\$200		\$17,904		\$17,904
71500 Other Revenue	\$8,833	\$74,438				\$99,059		\$182,330		\$182,330
71600 Gain or Loss on Sale of Capital Assets	-\$106,120							-\$106,120		-\$106,120
72000 Investment Income - Restricted										
70000 Total Revenue	\$3,487,345	\$432,018	\$72,287	\$1,921,019	\$13,245	\$7,142,916	\$96,398	\$13,165,228	\$0	\$13,165,228
91100 Administrative Salaries	\$371,572	\$2,163		\$43,964	\$3,787	\$348,002	\$3,049	\$772,537		\$772,537
91200 Auditing Fees	\$15,000	\$3,000	\$840	\$3,000	\$600	\$3,000	\$2,000	\$27,440		\$27,440
91300 Management Fee		\$0	\$0					\$0		\$0
91310 Book-keeping Fee		\$0	\$0					\$0		\$0
91400 Advertising and Marketing										

91500	Employee Benefit contributions - Administrative	\$100,936	\$427	\$8,273	\$917	\$98,647	\$529	\$209,729	\$209,729	\$209,729
91600	Office Expenses	\$104,973	\$35,581	\$4,333	\$9	\$49,594	\$200	\$196,090	\$196,090	\$196,090
91700	Legal Expense	\$37,028	\$23,255					\$60,283	\$60,283	\$60,283
91800	Travel	\$2,312				\$4,283		\$6,595	\$6,595	\$6,595
91810	Allocated Overhead	\$370,793	\$21,551	\$145,117	\$1,925	\$59,216	\$17,166	\$626,611	\$626,611	\$626,611
91900	Other	\$1,313	\$2,121	\$240				\$3,674	\$3,674	\$3,674
91000	Total Operating - Administrative	\$1,003,927	\$68,098	\$13,323	\$7,238	\$562,742	\$22,944	\$1,902,959	\$1,902,959	\$1,902,959
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	\$0
93100	Water	\$6,947	\$4,714	\$76				\$11,737	\$11,737	\$11,737
93200	Electricity	\$18,143	\$26,838					\$44,981	\$44,981	\$44,981
93300	Gas	\$2,159	\$1,401					\$3,560	\$3,560	\$3,560
93400	Fuel									
93500	Labor									
93600	Sewer									
93700	Employee Benefit Contributions - Utilities									
93800	Other Utilities Expense									
93000	Total Utilities	\$27,249	\$32,953	\$76	\$0	\$0	\$0	\$60,278	\$60,278	\$60,278
94100	Ordinary Maintenance and Operations - Labor	\$284,409						\$284,409	\$284,409	\$284,409
94200	Ordinary Maintenance and Operations - Materials and Other	\$624,964	\$27,073	\$3,773		\$1,723		\$657,533	\$657,533	\$657,533
94300	Ordinary Maintenance and Operations Contracts	\$782,695	\$46,707	\$30,952		\$928		\$861,182	\$861,182	\$861,182
94500	Employee Benefit Contributions - Ordinary Maintenance	\$72,950						\$72,950	\$72,950	\$72,950
94000	Total Maintenance	\$1,765,018	\$73,780	\$34,725	\$0	\$2,551	\$0	\$1,876,074	\$1,876,074	\$1,876,074
95100	Protective Services - Labor									
95200	Protective Services - Other Contract Costs									
95300	Protective Services - Other	\$73,436						\$73,436	\$73,436	\$73,436
95500	Employee Benefit Contributions - Protective Services									
95000	Total Protective Services	\$73,436	\$0	\$0	\$0	\$0	\$0	\$73,436	\$73,436	\$73,436

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor:

<u>Assistance Listing Number</u>	<u>Program Title</u>	<u>Pass Through Entity</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
	Section 8 Project Based Cluster		
14.249	Section 8 Moderate Rehabilitation Single Room Occupancy	NA	\$ 95,274
	Total Section 8 Project Based Cluster	NA	<u>95,274</u>
	Housing Choice Voucher Cluster		
14.871	Section 8 Housing Choice Vouchers	NA	7,035,210
14.871	Section 8 Housing Choice Vouchers-Pass thru	Other PHA's	80,023
14.879	Mainstream Vouchers	NA	1,917,146
	Total Housing Choice Voucher Cluster		<u>9,032,379</u>
	Capital Fund Cluster		
14.872	Public Housing Capital Fund Program	NA	1,360,454
	Total Capital Fund Cluster		<u>1,360,454</u>
14.239	HOME Investments Partnership Program	State of Florida	13,245
14.850	Public and Indian Housing	NA	1,744,107
	Total U.S. Department of HUD		<u>12,245,459</u>
	Total Federal Awards Expenditures		<u>\$ 12,245,459</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 December 31, 2023.

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 70600	HUD PHA Grants	\$ 11,412,070
FDS line 70610	Capital Grants	753,366
FDS line 715	HCVF other income	99,059
	Less: nonfederal portion	<u>(19,036)</u>
		<u>\$ 12,245,459</u>

SINGLE AUDIT SECTION

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@malcolmjohansoncompany.com
www.malcolmjohansoncompany.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
Alachua County Housing Authority
Gainesville, Florida

HUD, Jacksonville Area Office
Charles Bennett Federal Building
400 W. Bay Street, Suite 1015
Jacksonville, Florida 32202-4410

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 Alachua County Housing Authority ("the Authority"), as of and for the year ended December 31, 2023, 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 10, 2024.

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 may exist that have not been identified.

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 10, 2024.

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.
Certified Public Accountants

DeBary, Florida
July 10, 2024

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
Alachua County Housing Authority
Gainesville, Florida

HUD, Jacksonville Area Office
Charles Bennett Federal Building
400 W. Bay Street, Suite 1015
Jacksonville, Florida 32202-4410

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Alachua County 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, 2023. 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, 2023.

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.

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, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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.
Certified Public Accountants

DeBary, Florida
July 10, 2024

**ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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:

Assistance Listing Number	Name of Federal Program
14.850	Public and Indian Housing
14.871	Section 8 Housing Choice Vouchers

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

**ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)**

SECTION II – BASIC FINANCIAL STATEMENT FINDINGS

There are no Basic Financial Statement Findings reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Finding and Questioned Costs.

ALACHUA COUNTY HOUSING AUTHORITY
Gainesville, Florida

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023

There were no Prior Year Audit Findings.