

# **AGENDA**

## **Palm Beach County Housing Finance Authority**

**\*\*\*\*\***

**FRIDAY, MARCH 15, 2019**

**9:00 A.M.**

**Palm Beach County Airport Center  
Complex**

**100 Australian Avenue**

**4th Floor (#4-790) Training Room**

**West Palm Beach, FL 33406**

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# Meeting Agenda

March 15, 2019

PBC Airport Center – Human Resources Training Room 4-790

## Housing Finance Authority of Palm Beach County

100 Australian Avenue, Suite 410  
West Palm Beach, FL 33406

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www.pbchfa.org



### Chairperson

Patrick J. Franklin

### Vice Chair

Gary P. Eliopoulos

### Secretary

James H. Harper, Sr.

Clark D. Bennett

Robin B. Henderson

Charles V. St. Lawrence

Bobby "Tony" Smith

### Executive Director

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## I. Call to Order

- a. Roll call and establishment of quorum

## II. Public comment on Agenda Items

## III. Agenda Approval

- a. Additions, deletions, substitutions
- b. Adoption

## IV. Consent Agenda

- a. Minutes of the January 11, 2019 meeting
- b. GF Requisitions #1-2019 and #2-2019
- c. MF project occupancy reports for November and December
- d. FY 2017/2018 general fund budget vs. actual results
- e. Single family loan and MCC program origination reports

## V. Old Business

- a. Authorize release of accountant "Request for Qualifications"

## VI. New Business

- a. Presentation of September 30, 2018 general fund audit report
- b. Consider FL ALHFA Conference sponsorship
- c. Palm Beach Habilitation Center

## VII. Other matters

- a. Matters of Authority members
- b. Matters of the Executive Director and Professionals
- c. Matters of the Public
- d. Next meeting date: 9:00 a.m., April 12, 2019 at the PBC Airport Center, Human Resources Training Rm. 4-790, 100 Australian Avenue, West Palm Beach

## XIII. Adjournment

To: Housing Finance Authority

From: Executive Director

RE: March 15, 2019 regular meeting

Dated: March 7, 2019

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## **V. “Old Business” items:**

### **Item (a.) Authorize release of Accountant “Request for Qualifications”**

Included in the agenda materials is the draft of the “Request for Qualifications” (“RFQ”) that was included for review at the January 11, 2019 board meeting. At the board's direction the RFQ is a much more abbreviated request given a desire to attract more proposals including those of sole CPA practitioners and small firms. The board had previously directed me to make inquiry as to a list or number of CPA's and/or small firms with governmental accounting experience in PBC. I reported at the January meeting that a search of the Florida Institute of CPA's “Find a CPA List” for firms with governmental financial statement preparation experience identified four firms, a conversation with the Palm Beach chapter of the Florida Government Financial Officers Association determined that they do not maintain any list of firms, and that there are 5 firms listed on the PBC Office of Small Business Assistance that provide accounting/audit services.

A notice of the expected release of a RFQ was published in the Palm Beach Post and was sent to the PBC Office of Small Business Assistance following the January meeting. I have not received any inquiries; if directed by the Authority I will directly contact those firms on the list maintained by the PBC OSBA. As you know the Board of County Commissioners must approve Authority contracts in excess \$10K. If the accountant engagement is for more than one year I would anticipate the total engagement would exceed this limit and therefore require BCC approval. There is only one meeting of the BCC in each of July (2<sup>nd</sup>) and August (20<sup>th</sup>).

1/11/19	Authority meeting to discuss first draft of accounting RFQ
1/17/19	Publish notice of expected RFQ issuance in PB Post, posted to website, and emailed to PBC Office of Small Business Assistance
3/15/19	Authority meeting to finalize accounting RFQ
Week of 3/18/19	Publish notice of RFQ issuance in PB Post, and RFQ availability posted to website and emailed (directly contact those on list?) to PBC Office of Small Business Assistance
4/12/19	Due date for questions from proposers – posted to Authority website along with staff responses
5/01/19	Responses due
5/10/19	Authority board meeting for oral presentations, review and ranking of proposers
5/10/19	Authority board selection of firm to negotiate an engagement letter/contract
6/01/19	Final draft of accounting engagement letter for Authority meeting
6/14/19	Authority regular meeting approval of accounting engagement letter
7/11/19	Due date for engagement letter submission to HES for 8/20/19 BCC agenda item
8/20/19	BCC regular meeting for approval of accounting engagement letter

The board discussed a couple of items regarding the RFQ and selection process and determined that it would not require professional liability insurance, and that rather than use a scoring system similar to that for audit RFP it would include oral presentations and an evaluation of each proposer on the entirety of their written response and presentation. Board members were advised that without a scoring system each board member can give consideration to any number of factors their ranking decision process including small business, local preference or M/SBE status. While a term of engagement was discussed a determination as to whether it would be multiple years was not finalized.

**Staff recommends a motion: to authorize the publication, posting and PBC SBA notification of the issuance of the accountant “Request for Qualifications”.**

## **VI. “New Business” items:**

### **Item (a.) Presentation of September 30, 2018 general fund audit report**

Mark Veil of Caler, Donten, Levine Porter & Veil, P.A., will make a presentation of the final draft of their audit report and findings together with their “Governance Report”. Upon finalization and acceptance/filing by the Authority, the auditor will submit the final report to the PBC Office of Financial Management and Budget and to the Clerk.

Pages 3 through 7 of the audit report is “Management’s Discussion and Analysis” of financial operations. In previous years I pointed out that the Authority’s total operating revenues was on a continued downward trend due to the redemption in whole of old outstanding bond issues and the attend loss of fee income. The drop multi-family bonds issues finally bottomed out in 2016 and actually rose in 2017 as newly financed projects made up for older projects at the end of their respective qualified project period set-aside requirements. In addition revenues from loans originated under the single-family mortgage “Own a Home Opportunity” program have contributed greatly to operations since 2014. Operating expenses have held very constant over the last three years but are expected to decline for 2019 from lower professional fees for accounting and auditing servicers. As a result operating revenues have consistently exceeded expenses for the prior two fiscal years.

Non-operating revenue/expense consists primarily of interest earnings, which will continue to rise with anticipated increases in short term rates, and expenditures consist of advances for down payment assistance (“DPA”) second mortgage loans net of repayments thereof. During the first ten or so years of loan origination under the “Own a Home Opportunity” program, which began in 2013, we expected to see a net expense to the Authority then loan prepayments should begin to generally match advances resulting in much lower reduction of Net Position. While there has been an expected uptick in DPA repayments there is still a net expenditure for this program. That said Authority “Net Position” has increased over last two year. The only outstanding item remaining at the time of the March 15 agenda dissemination is outstanding bond balance figure in Note A.

**Staff recommends a motion: to accept and file the September 30, 2018 general fund financial statements and audit report.**

### **Item (b.) Consider FL ALHFA conference sponsorship**

The annual Florida ALHFA conference will be held in Atlantic Beach on July 10<sup>th</sup>-13<sup>th</sup>. Included in the agenda materials is a letter from the co-executive director together with a conference sponsorship commitment form. The Authority has been a Gold sponsor (\$2.5K) every year since 2015.

**Staff recommends a motion: to approve a “Gold” level sponsorship for the 2019 FL ALHFA conference at a cost of \$2,500.**

### **Item (c.) Palm Beach Habilitation Center – possible request for loan maturity extension**

The Authority entered into a one-year \$1M revolving loan with the Palm Beach Habilitation Center (“PBHC”) in the first quarter of 2018 for two projects and maturing April 20, 2019. Collateral for the loan is a pledge of investment accounts equal to 125% of the maximum loan amount. The first project was for water and sewer connections to their existing JB Ranch home and was reimbursed under a grant from the State. The second project was to be for the purchase of the site for and the new construction of a memory care group home in Wellington. The first draw in April 2018 was for the \$395K purchase of the group home site. There was a second draw in November 2018 for the JB Ranch costs which was reimbursed and the loan paid down at the end of February 2019. I am uncertain as to the status of the construction of the memory care home and PBHC’s campaign to raise the balance of the funds necessary to complete.

We have been advised by David Lin that the PBHC board will discuss on March 8 whether they wish to request to make a formal request to the Authority for an extension of the maturity date of the loan.

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## **Tab 1**

### **IV. Consent Items - attachments**

- a.** Minutes of January 11, 2019 regular meeting
- b.** General Fund Requisition #1-2019 and #2-2019
- c.** Multi-family project preliminary occupancy report for November & December 2018
- d.** Fiscal Year 2017/2018 year-end General Fund budget vs. actual
- e.** Single family loan and MCC program origination reports



**HOUSING FINANCE AUTHORITY**  
**OF PALM BEACH COUNTY**  
**MINUTES OF REGULAR MEETING**

**Meeting Date & Time:**

9:00 A.M., Friday January 11, 2019

**Location:**

PBC Airport Center  
100 Australian Avenue  
4th Floor, Room 4-790  
West Palm Beach

**Attendance Sign-in Sheet/others**

Suzanne Cabrera – HLC of PBC  
Peggy Lacroix – PBC employee

**Staff and professionals:**

David Brandt, Executive Director  
Jennifer Hamilton, administrative assistant  
Skip Miller - general counsel – Greenspoon Marder  
Amanda Kumar – bond trustee/custodian - US Bank  
Tim Wranovix – bond underwriter - Raymond James  
Helen Feinberg – bond underwriter - RBC Capital Markets  
Sue Denihan – single family programs administrator –  
eHousingPlus

## **I. Call to Order**

### **a. Roll call and establishment of quorum**

Vice Chair Gary Eliopoulos called the regular meeting of the HFA to order at 9:00 a.m. The five (5) members present at roll call constituted a quorum:

Patrick Franklin, Chair – absent  
Gary Eliopoulos, Vice Chair – present  
James Harper, Secretary – absent  
Chuck St. Lawrence – present  
Clark Bennett – present  
Robin Henderson - present  
Tony Smith – present

## **II. Public comment on Agenda Items**

No comment from the public.

## **II. Agenda Approval**

**Mr. Smith moved approval of the agenda. The motion was seconded by Mrs. Henderson and passed unanimously by a vote of 5-0.**

## **IV. Consent Agenda**

**Mr. St. Lawrence moved approval of the consent agenda. The motion was seconded by Mr. Smith and passed unanimously by a vote of 5-0.**

## **V. Presentations**

### **Item (a.) Updates on local Sadowski Education Effort for 2019 legislative session and PBC Housing Summit Steering Committee**

Suzanne Cabrera of the Housing Leadership Council of PBC (the “HLC”) opened her presentation by stating that the Sadowski Education Effort (“SEE”) is her favorite topic and that she will not let go of the issue until the legislature provides for full funding again. She provided a brief review this of the state housing trust fund funded from documentary stamp tax collections which are then distributed to counties and entitlement cities based on a statutory formula.

Mr. Bennett asked what does a city has to do to become an entitlement city. Mrs. Cabrera stated that they have to reach a population of at least 50k and then they have to apply for it. In the recent past both Wellington and Jupiter have while others continue to work with PBC because they have staff in place to commit, administer and then monitor the funding and projects. Mr. Smith asked what has been the position of the PBC delegation, as well those of Broward and Miami-Dade, with respect to full funding. She stated that they have made it a top priority, and it is very important to County Administrator Verdenia Baker. General counsel Skip Miller (“GC”) stated that the political problem is that most of South Florida’s legislative delegation are Democrats while it is Republicans that control the legislature and the budget. Mrs. Cabrera stated that a Republican senator filed a bill in 2018 to stop the sweep of the housing trust fund that sailed through the Senate process but that the companion bill in the House never made it beyond the initial committee. It has been refiled by Sen. Mayfield and a House version is expected before the start of the 2019 session in March. Mr. Smith suggested that the Black Caucus (ED note: of Local Elected Officials) should be asked to support this legislative effort. The ED stated that local HFA’s through FL ALHFA are the major SEE funders, and this Authority has done so for the past ten or so years. We have expressed frustration with the lack of results and asked Mrs. Cabrera if there any kind of encouragement she could give to the board for the continuing funding of SEE. She stated that last year SEE was able to salvage about a \$100M of funding when the House wanted to sweep all the dollars because of Parkland. She had been speaking with lobbyists this year about the need

to really step up for this session especially now that the new governor has recommended full funding.

Mr. Smith asked if it would be helpful if the board were to pass a resolution or send a letter to our commission asking them to endorse this bill. She advised that it wouldn't hurt but more importantly the HLC could use some local funding to help get the message out to community supporters in addition to our local legislative delegation. Mr. St Lawrence asked GC Miller about protection of housing trust funds under the Florida's constitution to which he state that only the gun trust fund is fully protected from a sweep, and though the most recent 20-year constitutional review has concluded, the legislature or citizens can propose amendments. Mrs. Henderson asked where the monies swept in 2018 went to which Mrs. Cabrera stated that the Florida Housing Coalition has someone looking into that now. The concern is that the Realtors may just support elimination of the documentary stamp tax and housing trust fund altogether. Vice Chair Eliopoulos asked how the legislative leadership might be convinced not to sweep the, and what is the accountability of the expenditure of these funds. Mrs. Cabrera said for most of the smaller counties the \$350,00 minimum SHIP distribution is their lifeline for providing any kind of safe and decent affordable housing, and maintaining their infrastructure in the event of a natural disaster. She said the loss of high wage jobs to other more affordable states is one argument, and that for example here in PBC Pratt & Whitney often loses out to Huntsville Alabama when competing for engineers because of their much lower housing cost. Mr. Bennett stated when the most people look around and see all the housing that is currently going up it makes funding a tough sell because they don't see a housing problem. The Vice Chair added that if you're going to sell something it is how you market it, and a lot of times it has to be what are the results and it has to be a "feel good" story about those individuals that are benefitting from it. He then relayed his experience on the Delray Beach community land trust the difficulty in getting clients at a meeting when they have to work two or three jobs or don't have someone to watch the kids. Mr. Smith asked if she was seeking funding for the HLC from the Authority to which Mrs. Cabrera said that SEE is very well worth supporting, and that the HLC could really use a donation of \$5k to be able to do the advocacy work that's needed.

Mrs. Cabrera then gave an update on the follow up to the housing summit

held in May of 2017 that attracted over five hundred people from municipalities all across PBC. Leadership of the housing summit divided into four regional subcommittees to really study the issues. Those subcommittees came together and put forward their ideas to the main steering committee which included a dedicated funding source for affordable/workforce housing, regulatory and impact fee relief, getting the business community involved among others.

**Item (b.) Single family programs review and updates by program administrators – Tim Wranovix and Sue Denihan-Scoggins**

Mr. Tim Wranovix of Raymond James did a presentation of the single family mortgage homeownership program sponsored by the Lee County HFA called the “Own a Home Opportunity Program” (“OAHOP”) now operating in not only Lee and Palm Beach counties but Broward, St. Johns, Volusia, Charlotte, Collier, DeSoto and Sarasota. One advantage to lenders and realtors of such a large program is the ability to offer the same program across different jurisdiction’s. The basic program is a first mortgage with down payment assistance to qualifying homebuyers provided in the form of a grant that is never repaid or a second mortgage of up to \$10K provided by the Authority at zero interest only repayable on sale, refinance, if the property is rented, or at maturity in 30 years. There is no first time homebuyer requirement for a grant loan even though virtually all to date are still first time homebuyers. The income limit in PBC is presently \$111k and the max loan limit is \$317k although few loans are even close to that. Mr. Wranovix stated that this program, called a TBA, is different from a bond financed program, and has worked well because taxable rates have been so low for so long and that the tax exemption of bonds doesn’t produce a financial benefit.

Sue Denihan of eHousingPlus went through a PowerPoint presentation of what a Mortgage Credit Certificate Program, or MCC, is, how it works and the benefit to a first-time homebuyer. The MCC program can be used either as a stand-alone product or it can be used in conjunction with the OAHOP. The ED reported that demographic reports for both programs were included in the agenda package. These reports provide a very detailed breakdowns stratified into eight or ten segments to provide a clear picture of who is actually

benefitting, and what income and house price categories were being affected by the program.

Mr. Bennett asked how we overcome the lack of availability of new affordable housing with today's high land costs, and who can or desires to build affordable units. The ED reported that based on the demographic reports on both the OAHOP and MCC are virtually all purchases of existing homes. He stated that currently there are a few new constructed PBC Workforce Housing Program units for sale (ED note: by Lennar Homes). The problem with the existing inventory in the affordable price range is condition. He stated that a good portion of SHIP funds are actually used for rehab. Mr. Smith mentioned he had seen at least two new communities, Arden at the western edge of Wellington, and Westlake, and asked if the ED would see if there were any affordable units in either of these.

## **VI. Old Business**

None.

## **VII. New Business**

### **Item (a.) Review draft accountant "Request for Qualifications"**

The ED briefly reviewed previous discussions relating to the expiration of the contract with our current accountant firm after their delivery of the draft general fund financial statements at the end of 2018. Previously the board had solicited audit services that followed state statutory requirements and a resultant rather detailed and comprehensive request for proposals that resulted in only two firms applying. Since accounting services do not have similar requirements the board requested a more simplified request and bidding process to expand the universe of potential CPA firms or individuals that could provide accounting services to the Authority. The proposed form of request for qualifications ("RFQ") is a five page document that basically is an introduction to the Authority, proposed services, and for them to provide work examples and a fee quote. The firm would also be tasked with

recommending and setting up an electronic accounting system either on QuickBooks or something similar so that it can be maintained either by me with remote access by the accountant, or controlled solely by the accountant who would make general ledger entries either on a monthly or a quarterly basis. That way we will also be able to generate at least quarterly statements for the Authority in addition to the annual statement that our current accountant has been doing each year. As far as minimum qualifications the ED recommended experience in local government accounting, and unless the board required it, he did not believe that professional liability insurance need be a requirement. Mr. Bennett asked if PBC would require an Authority professional services contract to have professional liability coverage to which the ED advised that historically they have not gotten involved in mandating these types of matters.

The ED advised that the next step would be publication of a notice that the Authority is in the process of making the RFQ available and that prospective applicants will have an opportunity to talk with him before the RFQ actually is released. Then at the next meeting the RFQ would be finalized, a notice published along with the date proposals are due, and a determination as to the final methodology for selecting a proposer. He added that rather than the scoring system used for auditors he would suggest the board consider having presentations and evaluate each proposer on the entirety of their written response and presentation.

GC Miller advised the board can give preference points to a small business if it uses a scoring system like was done with the auditors, and if not using a scoring system it can be a factor in each members ranking process. He added that the Authority is not subject to the PBC disparity study and the minority and women business preference that are came out of as a result of that disparity study. He pointed out that the Solid Waste Authority was required to conduct its own disparity study even though PBC is the governing body. He added there is no problem with encouraging minorities and women owned businesses to apply by doing outreach to organizations that would have as their members those types of firms or members. He stated that the board can have a local preference and can decide if local means just PBC or all of south Florida or the state of Florida.

Mr. Smith stated his concern that without a WMBE scoring preference that these firms just can't compete. GC Miller said that PBC just finished their disparity study and have amended their purchasing ordinances to be consistent with the disparity study, but they had to have a determination of disparity first to do that. The disparity study only looked at contracts that PBC itself entered into. If the Authority wanted to be able to do a minority or a women preference it would first have to have a disparity study whereby a company would come in and evaluate the contracts that the Authority has entered into over the years to see if there is some kind of disparity. With a weighted scoring system you identify certain factors then you score each proposal according to those factors. If you don't have a weighted scoring system each member can decide what's most important, such as having a small businesses or the lowest fee, and therefore you could give that factor more weight than anything else. This method gives each member a lot more discretion about what's important. Mr. Smith said that while he understood this explanation he still wasn't sure why the Authority couldn't dovetail, as an allied organization, with PBC's disparity study. GC Miller replied that he was getting his information from the PBC Attorney's office.

Mr. Bennett asked with a non-weighted scoring system whether a board member would be required to explain in great detail as to why they ranked one firm over another, and the possibility that a member would be challenged as to how they arrived at their conclusion. GC Miller stated that anyone can challenge anything but he did not think a member would be legally required to explain why you voted the way that you voted.

**The Vice Chair asked for a motion to have staff move forward with this matter. Mrs. Henderson made a motion to approve, it was seconded by Mr. Smith and passed unanimously by a vote of 5-0.**

#### **Item (b.) Consider other membership renewals for 2019**

The ED advised that in addition to annual membership renewals for the Nation Association of Housing Finance Agencies ("NALHFA") and the Florida Association of Local Housing Finance Authorities ("FLALHFA") the Authority has for several years been members of both the Housing Leadership Council



of PBC, which is \$250 annually, and PBC Affordable Housing Collaborative which is only \$50 a year. He recommended approve for renewal of both for 2019, and asked if the board wanted to consider Mrs. Cabrera's request on behalf of the HLC for a one-time SEE type contribution.

**Mr. Smith made a motion to approve the HLC and AHC membership renewals. Mrs. Henderson seconded the motion, and the motion passed unanimously by a vote of 5-0.**

**Mr. Smith made a motion for an additional contribution to the Housing Leadership Council of PBC for \$5K.** Mr. Bennett stated that the money is to be spent here in PBC. Mr. Smith stated he thought it would be used for whatever organization or purposes she needed to which the ED stated that the HLC is a PBC organization and it would be used for pursuing affordable housing initiatives for the benefit of PBC. **Mrs. Henderson stated the amount would be \$5K and then seconded the motion which passed unanimously by a vote of 5-0.**

## **VIII. Other matters**

### **Item (a.) Matters of Authority members**

None

### **Item (b.) Matters of the Executive Director and professionals**

The ED advised the board that other than to mention he would send out an email with the hotel reservation site for the NALHFA Conference in Denver in May, and would recommend if you plan to attend to make your hotel reservation.

### **Item (c.) Matters of the Public**

None.

**Item (d.)    Next meeting date:**

The Vice Chair announced that the next regularly scheduled meeting is February 8, 2019 at 9:00 a.m. in Room 4-790, 100 Australian Avenue.

**VIII.    Adjournment**

**Mr. Smith moved to adjourn the meeting at 10:40 a.m. The motion was seconded by Mr. Bennett and passed unanimously by vote of 5-0.**

Respectfully submitted,

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**Executive Director**

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**Secretary**



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of Palm Beach County**

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**Chairperson**

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**Date:** January 15, 2019  
**To:** Susan Fahimi  
U.S. Bank Corporate Trust  
**From:** David M. Brandt, Executive Director   
**Re:** General Fund Disbursement #1-2019

The following invoices/reimbursement requests are hereby presented for your approval and payment, with supportive documentation attached.

<u>PAYEE</u>	<u>AMOUNT</u>
Palm Beach County Board of County Commissioners (Oct. & Nov.)	\$ 38,770.91
David M. Brandt (Dec. auto)	500.00
Greenspoon Marder (Dec.)	374.07
United States Treasury (4 <sup>th</sup> quart. 941)	248.51
United States Treasury (4 <sup>th</sup> quart. 940)	38.98
Florida U.C. Fund (4 <sup>th</sup> quart. 2018)	1.62
Housing Leadership Council of PBC (membership)	100.00
Palm Beach County Affordable Housing Collaborative (membership)	<u>50.00</u>
<b>Total General Fund Disbursement:</b>	<b>\$ 40,084.09</b>

Confirmed via email by Patrick Franklin, Chair

Encls.

CC: Amanda Kumar, US Bank



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**Chairperson**

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**Vice Chair**

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**Secretary**

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Clark D. Bennett

Robin B. Henderson

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**Administrative Assistant**

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**Date:** February 15, 2019  
**To:** Susan Fahimi  
U.S. Bank Corporate Trust  
**From:** David M. Brandt, Executive Director  
**Re:** General Fund Disbursement #2-2019

The following invoices/reimbursement requests are hereby presented for your approval and payment, with supportive documentation attached.

<u>PAYEE</u>	<u>AMOUNT</u>
Palm Beach County Board of County Commissioners (Dec. & Jan.)	\$ 39,193.44
David M. Brandt (Jan. auto)	500.00
Greenspoon Marder (Jan.)	1,927.26
Housing Leadership Council of PBC	5,000.00
Weinstein Zugman, LLC	12,000.00
Caler, Donten, Levine, Cohen, Porter & Veil, P.A.	<u>21,675.00</u>
<b>Total General Fund Disbursement:</b>	<b>\$ 80,295.70</b>

Confirmed via email by Patrick Franklin, Chair

Encls.

CC: Amanda Kumar, US Bank

Housing Finance Authority of Palm Beach County  
Summary of Monthly Project Bond Program Reports  
November 2018

		Date	Per Rent Roll		Number of							
	Project:	Report	or FHFC Recap:		TICs included:		Total	Total	Current	Last	2018	
		was	New	Annual	# of	# of	#	Occup.	months	months	average	
		received	Move-in's	renewal	IC's (1)	AR's (1)	units	Units	occup.	occup.	occup.	
1)	Azalea Place n/k/a Lake Mangonia) (#)(@)	1/9/19	0	8	0	8	150	128	85.3%	85.3%	87.9%	
2)	Colonial Lakes (#)	12/14/18	1	n.a.	1	n.a.	120	116	96.7%	98.3%	97.7%	
3)	Courts at Village Square (*) (#)	12/14/18	0	n.a.	0	n.a.	84	84	100.0%	100.0%	99.4%	
4)	Green Cay Village (d/b/a Palm Park)	12/12/18	4	12	4	12	160	160	100.0%	98.8%	99.9%	
5)	Heron Estates Senior (2)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
6)	Indian Trace (@)(#)	12/14/18	2	24	2	24	330	329	99.7%	100.0%	99.4%	
7)	La Joya Villages (*) (#)	12/3/18	4	n.a.	4	n.a.	55	55	100.0%	100.0%	99.2%	
8)	Lake Delray (*) (3)	12/12/18	3	n.a.	4	n.a.	404	400	99.0%	98.5%	94.6%	
9)	Malibu Bay (@)(*) (#)	1/14/19	7	n.a.	7	n.a.	264	257	97.3%	97.0%	96.0%	
10)	New South Bay Villas (4)(*)	1/8/19	19	n.a.	19	n.a.	131	67	51.1%	100.0%	n.a.	
11)	Palm Gardens (#)	12/11/18	0	8	0	8	80	79	98.8%	100.0%	99.1%	
12)	Palms West (*) (#)	12/11/18	6	n.a.	6	n.a.	290	289	99.7%	100.0%	99.3%	
13)	Paul Lawrence Dunbar Senior (#)(*)	12/19/18	0	n.a.	0	n.a.	99	99	100.0%	100.0%	99.8%	
14)	Pine Run Villas (*) (#)	12/16/18	0	n.a.	0	n.a.	63	63	100.0%	100.0%	99.0%	
15)	Pinnacle At Abbey Park (^)(@)(*) (#)	12/6/18	0	n.a.	0	n.a.	160	155	96.9%	98.8%	98.2%	
16)	Pinnacle Palms (*) (#)	12/6/18	2	n.a.	2	n.a.	152	149	98.0%	97.4%	97.7%	
17)	Renaissance (at San Marino) (#)	12/17/18	7	16	7	16	344	330	95.9%	98.5%	97.4%	
18)	Riverview House (#)	12/14/18	2	11	2	11	160	157	98.1%	97.5%	96.2%	
19)	Royal Palm Place (5)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
20)	Venetian Isles II (d/b/a San Marco VI) (^)(@)(#)	12/10/18	0	6	0	6	112	106	94.6%	96.4%	96.6%	
21)	Westgate Plaza (*) (#)	12/20/18	0	n.a.	0	n.a.	80	79	98.8%	100.0%	99.3%	
22)	Woodlake (@)(*)	12/14/18	4	n.a.	4	n.a.	224	223	99.6%	98.7%	99.0%	
	Totals		61	85	62	85	3462	3325	95.5%	98.3%	97.7%	
(1)	"IC's" are initial move-in "Tenant Income Certification" forms and "AR's" are annual recertification forms provided.											
(2)	Expected first occupancy April 2019.											
(3)	All rehabilitation completed by May 2018.											
(4)	First occupancy of the 48 rehabbed units began on March 29, 2018.											
(5)	Expected first occupancy January 2019.											
(^)	Has prepaid the remaining issuer fee.											
(@)	Bonds have been redeemed in whole but Qualified Project Period still in effect.											
(*)	No annual recertifications are required as long as 100% of units are certified as "Low Income".											
(#)	Current monthly rents are at LIHTC maximum or all Section 8 above LIHTC rent.											

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	<b>Project:</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
		<b>ave.</b>	<b>ave.</b>	<b>ave.</b>	<b>ave.</b>	<b>monthly</b>	<b>monthly</b>	<b>monthly</b>	<b>monthly</b>	<b>monthly</b>	<b>monthly</b>	<b>monthly</b>	<b>monthly</b>
		<b>occup.</b>	<b>occup.</b>	<b>occup.</b>	<b>occup.</b>	<b>high</b>	<b>high</b>	<b>high</b>	<b>high</b>	<b>low</b>	<b>low</b>	<b>low</b>	<b>low</b>
1)	Azalea Place (d/b/a Palm Grove)	97.7%	99.6%	98.7%	98.9%	100%	100%	100%	100%	92%	99%	98%	97%
2)	Colonial Lakes	98.6%	99.9%	99.6%	96.3%	100%	100%	100%	99%	96%	99%	99%	92%
3)	Courts at Village Square (1)(*)(#)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4)	Green Cay Village (d/b/a Palm Park)	99.9%	99.4%	97.8%	98.0%	100%	100%	99%	99%	99%	99%	96%	96%
5)	Heron Estates Senior (2)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6)	Indian Trace	98.9%	98.6%	97.9%	97.7%	100%	100%	99%	100%	98%	98%	96%	94%
7)	La Joya Villages	94.2%	98.9%	99.8%	n.a.	98%	100%	100%	n.a.	86%	95%	98%	n.a.
8)	Lake Delray (3)	90.0%	n.a.	n.a.	95.6%	94%	96%	n.a.	96%	87%	96%	n.a.	96%
9)	Malibu Bay	96.9%	96.1%	97.4%	91.6%	98%	99%	100%	96%	95%	92%	94%	82%
10)	New South Bay Villas (4)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11)	Palm Gardens	99.1%	99.1%	98.9%	98.2%	100%	100%	100%	100%	96%	98%	98%	96%
12)	Palms West	99.0%	98.6%	98.5%	100.0%	100%	100%	100%	100%	98%	98%	98%	84%
13)	Paul Lawrence Dunbar Senior (5)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14)	Pine Run Villas	98.9%	98.8%	98.8%	99.7%	100%	100%	100%	100%	94%	97%	95%	98%
15)	Pinnacle At Abbey Park	97.4%	97.5%	96.9%	94.2%	99%	99%	100%	98%	96%	94%	91%	92%
16)	Pinnacle Palms	97.5%	98.6%	97.3%	95.4%	99%	100%	99%	97%	94%	97%	96%	91%
17)	Renaissance (at San Marino)	97.2%	97.9%	97.6%	96.3%	99%	99%	99%	99%	95%	96%	96%	92%
18)	Riverview House	96.4%	97.0%	95.1%	82.6%	100%	99%	99%	96%	92%	95%	91%	75%
19)	Royal Palm Place (6)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
20)	Venetian Isles II (d/b/a San Marco VI)	98.1%	98.1%	99.6%	96.9%	100%	100%	100%	100%	96%	96%	98%	93%
21)	Westgate Plaza	99.8%	99.0%	98.9%	98.3%	100%	100%	100%	100%	99%	95%	98%	95%
22)	Woodlake	99.1%	99.4%	99.4%	97.4%	100%	100%	100%	99%	98%	98%	98%	95%
	<b>Totals (7)</b>	<b>97.6%</b>	<b>98.5%</b>	<b>98.3%</b>	<b>96%</b>								
(1)	First occupancy January 2018												
(2)	First occupancy expected April 2019												
(3)	All rehabilitation completed by May 2018.												
(4)	First occupancy of rehabbed units began on March 29, 2018.												
(5)	Rent up completed in October 2017												
(6)	First occupancy expected January 2019												
(7)	Sum of the averages of each project												

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		Date	Per Rent Roll		Number of							
	Project:	Report	or FHFC Recap:		TICs included:		Total	Total	Current	Last	2018	
		was	New	Annual	# of	# of	#	Occup.	months	months	average	
		received	Move-in's	renewal	IC's (1)	AR's (1)	units	Units	occup.	occup.	occup.	
1)	Azalea Place n/k/a Lake Mangonia) (#)(@)	1/8/19	0	12	0	12	150	125	83.3%	85.3%	87.5%	
2)	Colonial Lakes (#)	1/15/19	5	n.a.	5	n.a.	120	119	99.2%	96.7%	97.8%	
3)	Courts at Village Square (*) (#)	1/30/19	0	n.a.	0	n.a.	84	84	100.0%	100.0%	99.4%	
4)	Green Cay Village (d/b/a Palm Park)	1/14/19	2	12	2	12	160	160	100.0%	100.0%	99.9%	
5)	Heron Estates Senior (2)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
6)	Indian Trace (@)(#)	1/15/19	4	20	4	20	330	324	98.2%	99.7%	98.3%	
7)	La Joya Villages (*) (#)	1/4/19	1	n.a.	1	n.a.	55	55	100.0%	100.0%	92.2%	
8)	Lake Delray (*) (3)	1/9/19	3	n.a.	3	n.a.	404	400	99.0%	98.8%	95.0%	
9)	Malibu Bay (@)(*) (#)	1/15/19	3	n.a.	3	n.a.	264	254	96.2%	97.7%	96.0%	
10)	New South Bay Villas (4) (*)	1/28/19	33	n.a.	33	n.a.	131	98	74.8%	n.a.	n.a.	
11)	Palm Gardens (#)	1/14/19	1	8	1	8	80	78	97.5%	98.8%	99.0%	
12)	Palms West (*) (#)	1/14/19	4	n.a.	4	n.a.	290	290	100.0%	99.7%	99.3%	
13)	Paul Lawrence Dunbar Senior (#) (*)	1/22/19	0	n.a.	0	n.a.	99	99	100.0%	100.0%	99.8%	
14)	Pine Run Villas (*) (#)	1/15/19	0	n.a.	0	n.a.	63	63	100.0%	100.0%	99.1%	
15)	Pinnacle At Abbey Park (^)(@)(*) (#)	1/2/19	5	n.a.	5	n.a.	160	156	97.5%	96.9%	98.2%	
16)	Pinnacle Palms (*) (#)	1/2/19	3	n.a.	3	n.a.	152	148	97.4%	98.0%	97.6%	
17)	Renaissance (at San Marino) (#)	12/11/19	16	13	16	13	344	334	97.1%	95.6%	97.4%	
18)	Riverview House (#)	1/15/19	1	6	1	4	160	154	96.3%	98.1%	96.2%	
19)	Royal Palm Place (5)	2/14/19	36	n.a.	32	n.a.	125	36	28.8%	n.a.	n.a.	
20)	Venetian Isles II (d/b/a San Marco VI) (^)(@)(#)	1/10/19	0	14	2	8	112	106	94.6%	94.6%	96.4%	
21)	Westgate Plaza (*) (#)	1/28/19	0	n.a.	0	n.a.	80	78	97.5%	100.0%	99.2%	
22)	Woodlake (@)(*)	1/15/19	1	n.a.	1	n.a.	224	223	99.6%	99.6%	99.1%	
	Totals		118	85	116	77	3587	3384	93.2%	97.9%	97.2%	
(1)	"IC's" are initial move-in "Tenant Income Certification" forms and "AR's" are annual recertification forms provided.											
(2)	Expected first occupancy April 2019.											
(3)	All rehabilitation completed by May 2018.											
(4)	First occupancy of the 48 rehabbed units began on March 29, 2018.											
(5)	First occupancy was December of 2018.											
(^)	Has prepaid the remaining issuer fee.											
(@)	Bonds have been redeemed in whole but Qualified Project Period still in effect.											
(*)	No annual recertifications are required as long as 100% of units are certified as "Low Income".											
(#)	Current monthly rents are at LIHTC maximum or all Section 8 above LIHTC rent.											

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	<b>Project:</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
		<b>ave.</b>	<b>ave.</b>	<b>ave.</b>	<b>ave.</b>	<b>monthly</b>	<b>monthly</b>	<b>monthly</b>	<b>monthly</b>	<b>monthly</b>	<b>monthly</b>	<b>monthly</b>	<b>monthly</b>
		<b>occup.</b>	<b>occup.</b>	<b>occup.</b>	<b>occup.</b>	<b>high</b>	<b>high</b>	<b>high</b>	<b>high</b>	<b>low</b>	<b>low</b>	<b>low</b>	<b>low</b>
1)	Azalea Place (d/b/a Palm Grove)	97.7%	99.6%	98.7%	98.9%	100%	100%	100%	100%	92%	99%	98%	97%
2)	Colonial Lakes	98.6%	99.9%	99.6%	96.3%	100%	100%	100%	99%	96%	99%	99%	92%
3)	Courts at Village Square (1)(*)(#)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4)	Green Cay Village (d/b/a Palm Park)	99.9%	99.4%	97.8%	98.0%	100%	100%	99%	99%	99%	99%	96%	96%
5)	Heron Estates Senior (2)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6)	Indian Trace	98.9%	98.6%	97.9%	97.7%	100%	100%	99%	100%	98%	98%	96%	94%
7)	La Joya Villages	94.2%	98.9%	99.8%	n.a.	98%	100%	100%	n.a.	86%	95%	98%	n.a.
8)	Lake Delray (3)	90.0%	n.a.	n.a.	95.6%	94%	96%	n.a.	96%	87%	96%	n.a.	96%
9)	Malibu Bay	96.9%	96.1%	97.4%	91.6%	98%	99%	100%	96%	95%	92%	94%	82%
10)	New South Bay Villas (4)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
11)	Palm Gardens	99.1%	99.1%	98.9%	98.2%	100%	100%	100%	100%	96%	98%	98%	96%
12)	Palms West	99.0%	98.6%	98.5%	100.0%	100%	100%	100%	100%	98%	98%	98%	84%
13)	Paul Lawrence Dunbar Senior (5)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14)	Pine Run Villas	98.9%	98.8%	98.8%	99.7%	100%	100%	100%	100%	94%	97%	95%	98%
15)	Pinnacle At Abbey Park	97.4%	97.5%	96.9%	94.2%	99%	99%	100%	98%	96%	94%	91%	92%
16)	Pinnacle Palms	97.5%	98.6%	97.3%	95.4%	99%	100%	99%	97%	94%	97%	96%	91%
17)	Renaissance (at San Marino)	97.2%	97.9%	97.6%	96.3%	99%	99%	99%	99%	95%	96%	96%	92%
18)	Riverview House	96.4%	97.0%	95.1%	82.6%	100%	99%	99%	96%	92%	95%	91%	75%
19)	Royal Palm Place (6)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
20)	Venetian Isles II (d/b/a San Marco VI)	98.1%	98.1%	99.6%	96.9%	100%	100%	100%	100%	96%	96%	98%	93%
21)	Westgate Plaza	99.8%	99.0%	98.9%	98.3%	100%	100%	100%	100%	99%	95%	98%	95%
22)	Woodlake	99.1%	99.4%	99.4%	97.4%	100%	100%	100%	99%	98%	98%	98%	95%
	<b>Totals (7)</b>	<b>97.6%</b>	<b>98.5%</b>	<b>98.3%</b>	<b>96%</b>								
(1)	First occupancy January 2018												
(2)	First occupancy expected April 2019												
(3)	All rehabilitation completed by May 2018.												
(4)	First occupancy of rehabbed units began on March 29, 2018.												
(5)	Rent up completed in October 2017												
(6)	First occupancy expected January 2019												
(7)	Sum of the averages of each project												

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						Qualified			
				Approx. QPP		Project			
				start		Period end			
				date		(approximate)			
1)	Azalea Place (d/b/a Palm Grove)			Apr-00		QPP for term of HAP			
2)	Colonial Lakes			May-13		2028			
3)	Courts at Village Square (fka Village Square Elder			Jan-18		QPP for term of HAP			
4)	Green Cay Village (d/b/a Palm Park)			May-07		2022			
5)	Heron Estates Senior (1)			TBD		QPP for term of HAP			
6)	Indian Trace			Apr-03		QPP ends 2/28/2024			
7)	La Joya Villages			Feb-15		2030			
8)	Lake Delray (2)			Dec-16		QPP end 11/30/2031			
9)	Malibu Bay			Jun-05		QPP ends 6/6/2020			
10)	New South Bay Villas (3)			Apr-17		QPP for term of HAP			
11)	Palm Gardens			Nov-08		2023			
12)	Palms West			Sep-13		2028			
13)	Paul Lawrence Dunbar Senior			Oct-17		QPP for term of HAP			
14)	Pine Run Villas			Oct-13		2028			
15)	Pinnacle At Abbey Park			Mar-04		QPP ends 3/1/2019			
16)	Pinnacle Palms (4)			Jul-05		QPP ends not sooner than July 1, 2022			
17)	Renaissance (at San Marino)			2004?		2019			
18)	Riverview House (5)			Aug-01		2016			
19)	Royal Palm Place (6)			TBD		QPP for term of HAP			
20)	Venetian Isles II (d/b/a San Marco VI)			Jul-04		QPP ends 7/1/2019			
21)	Westgate Plaza			Nov-12		QPP for term of HAP			
22)	Woodlake			Nov-13		2028			
(2)	All rehabilitation completed by May 2018.								
(3)	First occupancy of rehabbed units began on March 29, 2018; new construction by October 2018.								
(4)	PBC LURA has 60% @ 55+; FHFC has 80% @ 55+ w/no tenant under 18.								
(5)	PBC LURA amended to 100% @ 55+ from 60+, and no tenant under 18.								
(6)	Bonds issued August 4, 2017.								

		FY 2017/2018	FY 2017/2018	FY 2017/2018	FY 2017/2018
		Initial Budget	Budget adjustments	Projected Annual	Cash at 9/30/18
	<b><u>Operating revenues:</u></b>				
	Multifamily on-going fees	\$ 314,647		\$ 348,622	\$ 350,499
	Multifamily one-time fees	\$ -		\$ 31,500	\$ 31,500
	Single Family Loan Origination Fees	\$ 100,000		\$ 125,000	\$ 137,402
	Other	\$ -		\$ 3,527	\$ 3,527
	Total Receipts	\$ 414,647	\$ -	\$ 508,649	\$ 522,928
	<b><u>Operating expenditures:</u></b>				
	Reimbursement to PBC	\$ 304,908		\$ 304,908	\$ 234,998
	Accounting fees	\$ 39,200		\$ 37,600	\$ 37,600
	Auditing fees	\$ 67,102		\$ 65,723	\$ 65,723
	Legal	\$ 45,000		\$ 35,000	\$ 29,930
	Other	\$ 45,000		\$ 37,000	\$ 30,858
	Total Disbursements	\$ 501,210	\$ -	\$ 480,231	\$ 399,108
	<b><u>Income/(Loss) from operations</u></b>	\$ (86,563)		\$ 28,418	\$ 123,819
	<b><u>Non-operating revenues/expenditures:</u></b>				
	Interest Income:				
	from short-term investment	\$ 125,000		\$ 150,000	\$ 204,623
	from single family MBS	\$ 50,000		\$ 50,000	\$ 55,690
	DPA funding net of prepayments	\$ (350,000)		\$ (150,000)	\$ (106,669)
	Total Non-Operating Revenues	\$ (175,000)	\$ -	\$ 50,000	\$ 153,644
	<b><u>Increase/(decrease) in Net Position:</u></b>	\$ (261,563)		\$ 78,418	\$ 277,463
	<b><u>Beginning cash balance:</u></b>	\$ 7,614,859		\$ 7,676,868	\$ 7,676,868
	<b><u>Change in cash:</u></b>				
	SF MBS principal payments	\$ 100,000		\$ 200,000	\$ 226,199
	Net Revolving Loan funding	\$ -		\$ (116,059)	\$ (116,059)
	Other	\$ (158,852)		\$ (50,951)	\$ (50,951)
	<b><u>Ending cash balance:</u></b>	\$ 7,294,444	\$ -	\$ 7,788,277	\$ 8,013,521

			FY 2017/2018	FY 2017/2018	FY 2017/2018	FY 2017/2018
			Initial Budget	Budget adjustments	Projected Annual	Cash at 9/30/18
		<b><u>Beginning cash balance:</u></b>	\$ 7,614,859		\$ 7,676,868	\$ 7,676,868
		Increase in Net Position:	\$ (261,563)		\$ 78,418	\$ 277,463
		Net change in cash	\$ (58,852)		\$ 32,991	\$ 59,190
		<b><u>Ending cash balance:</u></b>	\$ 7,294,444		\$ 7,788,277	\$ 8,013,521
		<b><u>Reservation of cash balance:</u></b>				
		DPA Fund - beginning	(1) \$ (2,800,000)		\$ (2,800,000)	\$ (2,800,000)
		DPA loans previously funded	(2) \$ 1,728,851		\$ 1,728,851	\$ 1,728,851
		Net change during fiscal year	(3) \$ -		\$ (150,000)	\$ (106,669)
		DPA Fund - remaining available	\$ (1,071,149)		\$ (1,221,149)	\$ (1,177,818)
		Revolving Loan Fund - beginning	(4) \$ (6,250,000)		\$ (6,250,000)	\$ (6,250,000)
		Outstanding Revolving Loan balance	\$ 2,894,025		\$ 2,500,000	\$ 2,615,084
		Net change in funding level	\$ -		\$ -	\$ -
		Revolving Loan Fund - ending	\$ (3,355,975)		\$ (3,750,000)	\$ (3,634,916)
		SF Loan Purchase Fund - beginning	(5) \$ (1,650,000)		\$ (1,650,000)	\$ (1,650,000)
		Defeasance of 2006-Sub 1 bonds	(6) \$ (158,852)		\$ (158,852)	\$ (158,852)
		Net change in funding level	\$ -		\$ -	\$ -
		Use of funds	\$ -		\$ -	\$ -
		SF Loan Purchase Fund - ending	\$ (1,808,852)		\$ (1,808,852)	\$ (1,808,852)
		Unreserved cash balance	(7) \$ 1,058,468		\$ 1,008,276	\$ 1,391,936
		(1) DPA second mortgages in PBC under Lee TBA program. Funding reservation increased to \$2.8M at 9/9/16 meeting.				
		(2) Total DPA loans originated in prior years.				
		(3) DPA second mortgages funded with HFA funds net of DPA loan repayments.				
		(4) Authorized \$4.6M at 9/18/15 meeting and increased to \$6.25M on 7/21/17.				
		(5) Authorized at 9/18/15 meeting for future single family mortgage program and increased to \$1.65M on 7/21/17.				
		(6) Authorization for defeasance of 2006-1 bonds issue on 5/9/14.				
		(7) Estimate of unreserved surplus funds.				



## Own A Home Opportunity Program

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>FY 2017/2018</u>	<u>FY 2016/2017</u>	<u>FY 2015/2016</u>	<u>FY 2014/2015</u>
Number:	12				53	29	26	39
\$ amount:	\$ 2,561,566				\$9,704,076	\$4,804,215	\$3,972,519	\$5,774,809
Lenders:	8				14	5	6	4
Second Mtg:	2				14	22	26	38
Grant loans	10				24	7	0	1
Interest rates:	5.0%-5.625%				4.25%-6.25%	4.125%-4.75%	4.125%-4.50%	4.25%-4.50%
FHA/VA:	58%				68%	76%	100%	100%
Conventional:	42%				32%	24%	n.a.	n.a.
Ave. Purchase:	\$ 220,000				\$187,445	\$169,755	\$156,900	\$151,287
Ave. loan size:	\$ 213,464				\$183,096	\$165,663	\$152,789	\$148,072
Ave, household	2				2	1	2	2
Ave. Income:	\$ 75,086				\$60,194	\$50,380	\$56,375	\$56,290
Single family:	100%				43%	48%	58%	54%
Twnhome/condo:	0%				57%	52%	42%	46%

## Mortgage Credit Certificate Program

Number:	11				25	62	32	43
\$ amount:	\$1,889,418				\$4,409,884	\$11,300,738	5719322	\$6,566,952
# of lenders:	3				6	9	7	5
Interest rates:	5.0%-6.0%				4.25%-5.875%	3.50%-5.0%	3.25%-5.25%	3.25%-5.25%
FHA/VA:	64%				64%	71%	66%	79%
Conventional:	36%				36%	29%	34%	21%
Ave. Purchase:	\$188,700				\$188,780	\$193,142	\$186,138	\$159,153
Ave. loan size:	\$171,765				\$176,395	\$182,270	\$178,729	\$152,720
Ave, household	2				2	2	2	2
Ave. Income:	\$52,835				\$58,854	\$50,595	\$55,375	\$54,952
Single family:	64%				44%	55%	56%	49%
Twnhome/condo:	36%				56%	45%	34%	51%



## **Tab 2**

### **V. Old Business - attachments**

- a. Authorize release of accountant "Request for Qualifications"

# **HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

## **REQUEST FOR QUALIFICATIONS FOR ACCOUNTING SERVICES**

### **INTRODUCTION**

The Housing Finance Authority (Authority) is a separate public body corporate and politic authorized by Chapter 159, Part IV, Florida Statutes and created by the Board of County Commissioners of Palm Beach County, Florida. The Authority is a dependent special district and component unit of Palm Beach County, and operates under Ordinance No. 02-022 codified in Division 3, Article 5 of Chapter 2 of the Palm Beach County Code.

The Authority accounts for its activities through the use of an enterprise General Fund and its financial information is subject to Governmental Accounting Standards Board (GASB) 34. The Authority has historically relied solely on the services of an independent certified public accounting firm to maintain a general ledger and compile and prepare annual statements of net assets and related revenues, expenditures and changes in net assets, and certain supplementary information. This firm analyzed and recorded all transactions from statements of the Authority's custodian U.S. Bank National Association and others, and maintained a detailed general ledger and related accounting records of the General Fund. The Authority now desires to create and maintain an internal electronic accounting system. An annual audit of the general purpose financial statements of the Authority is conducted by Caler, Donten, Levine, Cohen, Porter & Veil, P.A.

### **PURPOSE**

The Authority is accepting Requests for Qualifications (RFQ) from certified public account or accounting firms (CPA), licensed to do business in the State of Florida, to provide accounting services for Authority.

The selected CPA will be negotiate a three (3) year engagement starting with the Fiscal Year ending September 30, 2019 subject to termination annually after the completion of that year's engagement by either party upon written notice.

### **MINIMUM QUALIFICATIONS**

Any CPA wishing to be considered for selection to provide these services must meet the following minimum requirements:

- Certified Public Accounting Firm licensed in the State of Florida;
- Proficient knowledge of Governmental Accounting Standards Board (GASB), General Accepted Accounting Principles (GAAP), and Financial Accounting Standard Board (FASB);
- Proficiency with Intuit QuickBooks or other electronic accounting software;
- Minimum five (5) years experience in Florida local governmental, housing finance authority or special district accounting;
- Three (3) professional references

## **SCOPE OF SERVICES**

The financial accounting services performed for the Authority will include, but are not limited to the following:

- A. Recommend an Intuit QuickBooks or comparable electronic accounting software package and assist with the establishment of the accounting system for the Authority's General Fund
- B. Services to be performed monthly/quarterly:
  - Record journal entries
  - Maintain general ledger
  - Bank and credit card reconciliations
  - Generate financial statements for Management's use
  - Monitor all bank and investment accounts
  - IRS 940/941 and State of Florida RT-6
  - Budgeting and cash management
  - Attend monthly HFA Board Meeting as requested
  - Balance sheet
  - Statement of income and retained earnings
- C. Services to be provided on an annual basis
  - Provide required audit schedules
  - Prepare and post year-end adjusting journal entries
  - Compile financial statements for Management's use.
  - Provide statement of cash flows for management's use only

The CPA shall make its working papers available to the Authority at reasonable times and places upon request.

Prospective Responders are encouraged to contact the Authority's Executive Director to discuss the RFQ and any aspect thereof.

## **REQUIRED INFORMATION**

Responders must provide the information tabbed in sequential order as described in this section. All responders must oversee Authority staff or complete the services listed in A through C of the Scope of Services.

- A. Describe the CPA's comprehensive experience in relation to the Scope of Services inclusive of the following:
  - 1. Experience related to providing accounting services for governmental entities including housing finance authorities or special districts
  - 2. Experience in budgeting and cash flow analysis
  - 3. Experience in the interpretation and application of GASB, GAAP, and FASB requirements

4. Proficiency with Intuit QuickBooks or recommended electronic software
- B. Briefly describe the CPA's professional structure, total number of full-time employees including principals, capacity, method of operations, and hour/days of availability for consultation with the Authority.
- C. Provide resumes of the individuals who would be specifically assigned to provide the services detailed in the Scope of Service and the physical location of their work site. All services are to be provided by full time employees of the CPA firm selected. Describe your policy of notification of changes in key personnel.
- D. Statement as to ownership interest of Respondent including a list of the names and addresses of each person or entity having a five percent (5%) or greater interest, and whether each such person or entity is a woman or minority (in the case of a person), or controlled by a woman or minority (in the case of an entity).
- E. Provide an itemized fee schedule for the items listed in the Scope of Services. Please provide an hourly fee schedule for services that may arise from time to time that the CPA and the Authority mutually agree are outside this Scope of Services.
- F. Provide a summary of any inquiries, investigations or litigation occurring during the past three years (including those in progress) regarding the conduct of your firm, your firm's management, or any employee or official (current or former) associated with your firm. Describe any related actions taken against your firm or employees by any federal, state, or municipal governmental entity or court or any regulatory authority, including fines, suspensions, or censure.
- F. Indicate if the firm does attest work and if so provide a copy of the most recent AICPA Peer Review Program report.
- G. Provide a statement describing how providing the performance services to the Authority does not create any potential or actual conflicts of interest relating to other clients or customers of your firm or former or current officers and employees of the Authority.
- H. Indicate whether the firm maintains professional liability insurance.
- I. Provide a recent sample set of monthly financial statements for which you provide similar services for another for another governmental client.
- J. Provide three (3) references from clients which the firm has performed services similar to those requested in this RFQ, including contact name, physical and email address, and telephone number.

#### **MISCELLANEOUS**

- A. The Authority shall have no financial obligation to make any reimbursement or compensation with respect to any charges or costs in preparing or submitting any RFQ hereunder, or in preparing for or attending any subsequent interviews.

- B. The CPA shall be available to meet with the Authority and its staff or advisors, and to attend such other meetings as may be requested by the Authority or its staff at no additional charge to the Authority.
- C. The Authority reserves the rights to the following:
- Amend, modify, withdraw, or revise any requirements of the RFQ
  - Require supplemental statements or information from any responding party.
  - Accept or reject any or all responses hereto
  - Negotiate or hold discussions with any bidder and correct deficient responses that do not completely conform to the instructions contained herein
  - Cancel, in whole or in part, this RFQ if the Authority deems it in its best interest to do so
  - In the event that an CPA that is selected by the Authority later merges into, or is otherwise acquired by another accounting firm, the Authority reserves the right to re-evaluate, and terminate the subject accounting entity
  - By submitting a proposal the CPA agrees that the Authority may exercise the foregoing rights at any time without notice and without liability to any responders or any other party for its expenses incurred in the preparation of responses hereto or otherwise
- D. Nothing stated at any time by any representative of the Authority will effect a change in, or constitute an addition to, this RFQ unless confirmed in writing by the Authority
- E. The Authority will announce its selection of the CPA at a public meeting, the time, date, and location of which will be provided to Respondents to this RFQ.
- F. The Authority reserves the right to waive informalities in any firm response, to reject any or all of the firms in whole or in part, with or without cause or for any reason, or for no reason, and to waive strict compliance with specifications, and/or to accept the firm that, in its best judgment, will be in the best interest of the Authority, which may or may not be the firm with the lowest price quote.
- G. All inquiries are to be directed to the Authority's Executive Director, David Brandt, at 561 233-3652 or by email to [dbrandt@pbcgov.org](mailto:dbrandt@pbcgov.org). Firms and their representatives who contact the members of the Housing Finance Authority board after the release of the RFQ or during the selection process with regards to this process are automatically disqualified.
- H. The selection process is not complete until the selected CPA(s) has executed an engagement letter that is prescribed by the Authority.
- I. The Authority strongly encourages applications from smaller CPA firms located in Palm Beach County as well as woman and/or minority owned business enterprises.

## **METHOD OF EVALUATION OF PROPOSALS**

Responses to this RFQ will be evaluated based on, but not limited to the following:

- Compliance with minimum qualifications
- Complete and accurate responses to the required information
- Professional compatibility with the Scope of Services
- Related experience with the Scope of Services
- Evaluation of references
- Proposed fee
- Whether the respondent has an office in Palm Beach County
- Size and ownership composition of business
- Samples of work product
- Oral presentations

**RESPONDENTS MUST SUBMIT ONE (1) UNBOUND COPY PLUS SEVEN (7) BOUND AND TABBED COPIES OF THEIR PROPOSAL TO THE AUTHORITY NO LATER THAN NOON EST, WEDNESDAY, MAY 1, 2019 TO THE ATTENTION OF:**

David Brandt, Executive Director  
Housing Finance Authority of Palm Beach County  
100 Australian Avenue, Suite 410  
West Palm Beach, FL 33406

(All proposals should be clearly marked "Accounting Services Proposal")

**Palm Beach County - Office of Small Business Assistance**

**Directory of Certified SBE Vendors**

---

**A. L. Jackson & Company, P.A.**

Website:  
E-Mail: alj@aljacksonco.com  
Address: 8760 Club Estates Way Lake Worth, FL 33467  
Phone: 561 642-4199 Alt.: 954 444-4841 Fax: 561 642-4199  
Contact: Anthony Jackson - President  
Services Provided: Accounting, Auditing, Budget Consulting

Vendor ID: VC0000107482  
Certification: S/MBE  
Certified: 06/18/2018  
Expires: 06/17/2021

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**Daniel J. Allegratti, CPA, P.A.**

Website: allegratticpa.com  
E-Mail: dan@allegratticpa.com  
Address: 3801 PGA Blvd Ste 600 Palm Beach Gardens, FL 334102756  
Phone: 561 223-3682 Alt.: 561 317-5581 Fax: 561 337-5201  
Contact: Dan Allegratti - President  
Services Provided: Accounting, Auditing, Budget Consulting

Vendor ID: VS0000001895  
Certification: SBE  
Certified: 10/24/2017  
Expires: 10/23/2020

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**Economic Solution Services iInc**

Website: economicsolutionservices.com  
E-Mail: info@EconomicSolutionServices.com  
Address: 3411 W Woolbright Rd Boynton Beach, FL 334367246  
Phone: 561 251-1265 Alt.: 561 877-4662 Fax:  
Contact: Derline Pierre-Louis - Owner

Vendor ID: VS0000011326  
Certification: S/M/WBE  
Certified: 11/16/2018  
Expires: 11/15/2021

Services Provided: Accounting and Billing Services, Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private Insurance, Accounting, Auditing, Budget Consulting  
Accounting Services (Not otherwise Classified)

---

**Florida Atlantic Small Business Accounting LLC**

Website:  
E-Mail: fasbcontroller@gmail.com  
Address: 5365 Garden Hills Cir 14611 Southern Blvd West Palm Beach, FL 33415  
Phone: 561 644-0833 Alt.: Fax:  
Contact: Vaughn Mitchel - Manager

Vendor ID: VS0000008350  
Certification: S/MBE  
Certified: 12/04/2017  
Expires: 12/03/2020

Services Provided: Accounting, Auditing, Budget Consulting  
Accounting Services (Not otherwise Classified)  
Accounting and Billing Services, Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private Insurance

---

**Holyfield & Thomas, LLC**

Website:  
E-Mail: djthomas@ht-cpa.com  
Address: 125 Butler St West Palm Beach, FL 33407  
Phone: 561 689-6000 Alt.: 561 371-2001 Fax: 561 689-6001  
Contact: David Thomas - President

Vendor ID: VC0000130593  
Certification: SBE  
Certified: 12/20/2016  
Expires: 12/19/2019

Services Provided: Accounting and Billing Services, Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private Insurance

---

**Mark Escoffery, P.A.**

Website:  
E-Mail: [escofferypa@gmail.com](mailto:escofferypa@gmail.com)  
Address: 8645 N Military Trl 503 Palm Beach Gardens, FL 33410  
Phone: 561 627-1404 Alt.: 561 627-7475 Fax: 561 627-3844  
Contact: Mark Escoffery

Vendor ID: VC0000007948  
Certification: S/MBE  
Certified: 10/26/2018  
Expires: 10/25/2021

Services Provided: Accounting, Auditing, Budget Consulting

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**RE-MMAP INC.****DBA RE-MMAP INC.**

Website: [re-mmmap.com](http://re-mmmap.com)  
E-Mail: [jackie@re-mmmap.com](mailto:jackie@re-mmmap.com)  
Address: 4500 Belvedere Rd Spc A3 Haverhill, FL 334151357  
Phone: 561 623-0241 Alt.: 561 293-1745 Fax: 561 953-0089  
Contact: Jacqueline Gibbons-Mcintosh - President

Vendor ID: VS0000002839  
Certification: S/M/WBE  
Certified: 03/23/2016  
Expires: 03/22/2019

Services Provided: Accounting and Billing Services, Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private In

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**S. Davis & Associates, P. A.**

Website: [sdaviscpa.com](http://sdaviscpa.com)  
E-Mail: [sdavis@sdaviscpa.com](mailto:sdavis@sdaviscpa.com)  
Address: 400 Hibiscus St West Palm Beach, FL 33401  
Phone: 561 547-0545 Alt.: 954 927-5900 Fax: 561 256-2747  
Contact: Shaun Davis - Managing Partner

Vendor ID: VC0000102308  
Certification: S/MBE  
Certified: 01/25/2016  
Expires: 01/24/2019

Services Provided: Accounting and Billing Services, Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private In

---

**Synergy Solutions Group LLC****DBA Synergy Solutions Group**

Website: [synergysolutionsgroup.org](http://synergysolutionsgroup.org)  
E-Mail: [info@synergysolutionsgroup.org](mailto:info@synergysolutionsgroup.org)  
Address: 2745 Broadway Riviera Beach, FL 334044538  
Phone: 561 304-9066 Alt.: Fax:  
Contact: Tradrick McCoy - Owner

Vendor ID: VS0000009944  
Certification: S/MBE  
Certified: 11/10/2018  
Expires: 11/09/2021

Services Provided: Accounting and Billing Services, Including Payroll Services, 3rd Party Reimbursement for Medicare, Medicaid, Private In

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**Ward & Company, P.A.**

Website:  
E-Mail: [zwardcpa@aol.com](mailto:zwardcpa@aol.com)  
Address: 5725 Corporate Way Ste 106 West Palm Beach, FL 33407  
Phone: 561 697-9468 Alt.: Fax: 561 697-5277  
Contact: Zenora Ward - President

Vendor ID: VC0000016946  
Certification: S/M/WBE  
Certified: 09/15/2017  
Expires: 09/14/2020

Services Provided: Accounting, Auditing, Budget Consulting

---

**Wilson Accounting and Tax Services, LLC****DBA WATS CPA**

Website: [wats.biz](http://wats.biz)  
E-Mail: [AudraWilsonCPA@wats.biz](mailto:AudraWilsonCPA@wats.biz)  
Address: 100 E Linton Blvd Ste 151-A Delray Beach, FL 33483  
Phone: 561 450-9287 Alt.: 561 445-0286 Fax: 561 279-3771  
Contact: Audra Wilson - MGRM

Vendor ID: VS0000004711  
Certification: S/M/WBE  
Certified: 01/23/2017  
Expires: 01/22/2020

Services Provided: Accounting, Auditing, Budget Consulting

---

**This directory is valid through 12/13/2018; after this date please verify the information through OSBA's website directory or call 561-616-6840.**



**Palm Beach County - Office of Small Business Assistance**

**Directory of Certified SBE Vendors**

---

**Holyfield & Thomas, LLC**

Website:  
E-Mail: djthomas@ht-cpa.com  
Address: 125 Butler St West Palm Beach, FL 33407  
Phone: 561 689-6000      Alt.: 561 371-2001      Fax: 561 689-6001  
Contact: David Thomas - President  
Services Provided: Audit Services

Vendor ID: VC0000130593  
Certification: SBE  
Certified: 12/20/2016  
Expires: 12/19/2019

---

**Mark Escoffery, P.A.**

Website:  
E-Mail: escofferypa@gmail.com  
Address: 8645 N Military Trl 503 Palm Beach Gardens, FL 33410  
Phone: 561 627-1404      Alt.: 561 627-7475      Fax: 561 627-3844  
Contact: Mark Escoffery  
Services Provided: Audit Services

Vendor ID: VC0000007948  
Certification: S/MBE  
Certified: 10/26/2018  
Expires: 10/25/2021

---

**S. Davis & Associates, P. A.**

Website: sdaviscpa.com  
E-Mail: sdavis@sdaviscpa.com  
Address: 400 Hibiscus St West Palm Beach, FL 33401  
Phone: 561 547-0545      Alt.: 954 927-5900      Fax: 561 256-2747  
Contact: Shaun Davis - Managing Partner  
Services Provided: Audit Services

Vendor ID: VC0000102308  
Certification: S/MBE  
Certified: 01/25/2016  
Expires: 01/24/2019

---

**Ward & Company, P.A.**

Website:  
E-Mail: zwardcpa@aol.com  
Address: 5725 Corporate Way Ste 106 West Palm Beach, FL 33407  
Phone: 561 697-9468      Alt.:      Fax: 561 697-5277  
Contact: Zenora Ward - President  
Services Provided: Audit Services

Vendor ID: VC0000016946  
Certification: S/M/WBE  
Certified: 09/15/2017  
Expires: 09/14/2020

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**This directory is valid through 12/13/2018; after this date please verify the information through OSBA's website directory or call 561-616-6840.**

## **Tab 3**

### **VI. New Business - attachments**

- a.** Presentation of September 30, 2018 general fund audit report
- b.** Consider FL ALHFA 2019 Conference sponsorship
- c.** Palm Beach Habilitation Center

**Audited Financial Statements**

**Housing Finance Authority of  
Palm Beach County, Florida**  
A Component Unit of Palm Beach County, Florida

**Fiscal Years Ended September 30, 2018 and 2017**

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA  
A COMPONENT UNIT OF PALM BEACH COUNTY, FLORIDA

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	26
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## Independent Auditor's Report

To the Honorable Chair and Members of the Board  
Housing Finance Authority of Palm Beach County  
West Palm Beach, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), a component unit of Palm Beach County, Florida, as of and for the years ended September 30, 2018 and 2017, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Finance Authority of Palm Beach County, Florida, as of September 30, 2018 and 2017, and the respective changes in financial position and cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

### **Other Matters**

#### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that the *Management's Discussion and Analysis* on pages 3 to 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

West Palm Beach, Florida  
March 15, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), presents the readers of our financial statements the following narrative overview and analysis of the financial activities for the fiscal years ended September 30, 2018 and 2017. Please consider this information in conjunction with the accompanying financial statements (beginning on page 8).

### Financial Highlights

- The Authority's assets exceeded its liabilities (net position) at the close of the fiscal year by approximately \$11.9 and \$11.7 million in 2018 and 2017, respectively, all of which is considered unrestricted and according to the Authority's enabling legislation is available for any use described in the Florida Housing Finance Authority Law in the Florida Statutes.
- During 2018, the Authority's operating revenues exceeded its operating expenses by approximately \$126,000. During 2017, the Authority's operating revenues exceeded its operating expenses by approximately \$138,000.
- Cash and cash equivalents of the Authority increased in 2018 by approximately \$287,000 from the 2017 balance principally because of \$226,000 in GNMA and FNMA pay downs received, \$69,000 less in advances on down payment second mortgage assistance in 2018, and approximately \$94,000 in repayments of down payment second mortgage assistance received. Cash and cash equivalents of the Authority decreased in 2017 by approximately \$1,900,000 from the 2016 balance principally because of approximately \$2,400,000 more advances than receipts on notes receivable. The Authority also had approximately \$376,000 in GNMA and FNMA pay downs and \$63,000 less in advances on down payment second mortgage assistance in 2017.

### Overview of the Financial Statements

The Housing Finance Authority of Palm Beach County is a single enterprise fund and presents its financial statements using the economic resources measurement focus and accrual basis of accounting, which is the same measurement focus and basis of accounting employed by private-sector business enterprises. This discussion and analysis is intended to serve as an introduction to the Authority's financial statements which include comparative Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, and notes to the financial statements.

The Statements of Net Position present information on the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position are the basic statements of activities for enterprise funds. These statements provide the user information on the Authority's operating revenues and expenses, non-operating revenues and expenses and whether the Authority's financial position has improved or deteriorated as a result of the year's operations.

The Statements of Cash Flows present the change in the Authority's cash and cash equivalents during the years reported. This information can assist the user of the report in determining how the Authority financed its activities and how it met its cash requirements.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the statements and can be found beginning on page 12 of this report.

## Summary of Net Position

As indicated earlier, net position may serve over time as a useful indicator of the Authority's financial position. The Authority's net position at September 30, 2018 and 2017 totaled \$11,892,392 and \$11,652,825, respectively, an increase of \$239,567 in 2018 and an increase of \$113,217 in 2017. A condensed summary of the Authority's net position for fiscal years 2018, 2017, and 2016 is presented below:

	2018	2017	2016
<b>Assets</b>			
Cash, investments, and accrued interest	\$ 8,973,335	\$ 8,954,254	\$ 11,237,709
Other current assets	2,811,125	2,894,026	105,324
Noncurrent assets	<u>227,138</u>	<u>-</u>	<u>422,208</u>
<b>Total Assets</b>	<u>\$ 12,011,598</u>	<u>\$ 11,848,280</u>	<u>\$ 11,765,241</u>
<b>Liabilities</b>			
Accounts payable and other liabilities	\$ 64,206	\$ 90,455	\$ 71,608
Noncurrent liabilities	<u>55,000</u>	<u>105,000</u>	<u>154,025</u>
<b>Total Liabilities</b>	<u>119,206</u>	<u>195,455</u>	<u>225,633</u>
<b>Net Position - Unrestricted</b>	<u>\$ 11,892,392</u>	<u>\$ 11,652,825</u>	<u>\$ 11,539,608</u>

At September 30, 2018, 2017, and 2016, the net position was unrestricted and available for any authorized expenditure.

## Summary of Revenues, Expenses, and Changes in Net Position

In fiscal year 2018, the Authority's net position increased overall due to an increase in non-operating revenues and expenses of \$113,254, primarily due to a decrease of \$68,800 in advances for down payment second mortgage assistance program loans and an increase of \$47,601 in repayments on down payment second mortgage assistance program loans. The 2018 decrease in operating revenues included a decrease of \$35,727 in Authority fee income and an increase of \$5,816 in Single Family Mortgage Program income. Operating expenses decreased \$18,275 primarily as a result of decreases in professional fees of \$8,411 and other expenses of \$11,838.

In fiscal year 2017, the Authority's net position increased overall due to a decrease in net non-operating expenses of \$110,042. The 2017 increase in operating revenues included Single Family Mortgage Program income of \$159,749. The 2017 decrease in non-operating revenues was primarily due to net advances on down payment second mortgage assistance program loans of \$222,683 and interest income of \$244,601.

A summary of revenues and expenses for the years ended September 30, 2018, 2017, and 2016 is presented below:

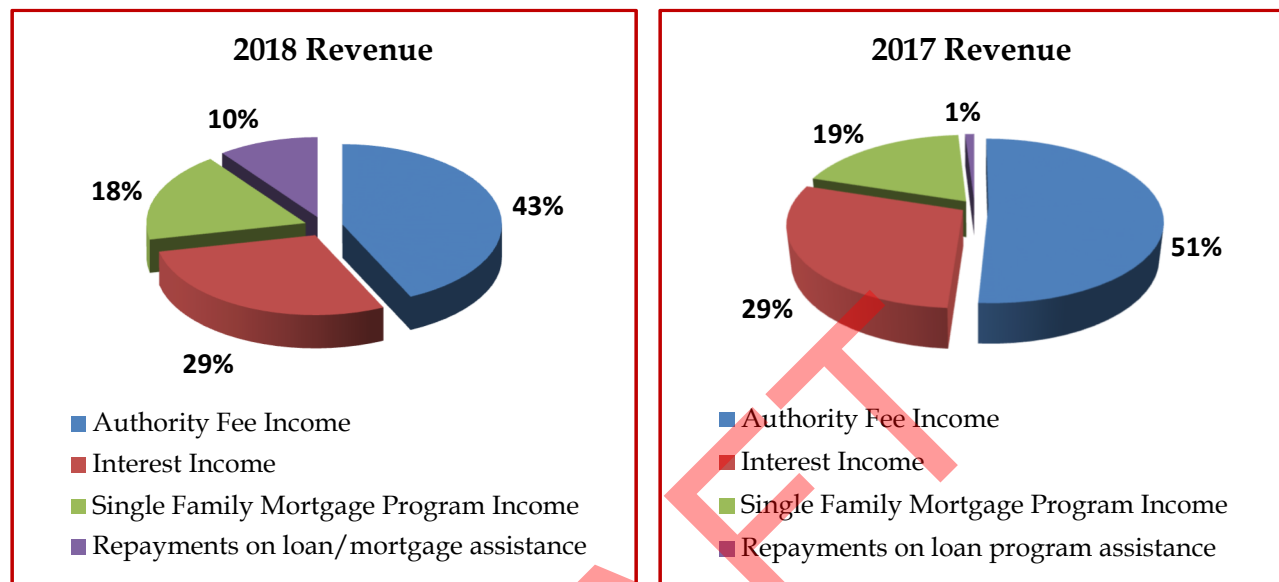
	2018	2017	2016
<b>Operating Revenues</b>			
Authority fee income	\$ 384,614	\$ 420,341	\$ 359,740
Single Family Mortgage Program income	<u>165,565</u>	<u>159,749</u>	<u>210,050</u>
<b>Total Operating Revenues</b>	<u>550,179</u>	<u>580,090</u>	<u>569,790</u>



	2018	2017	2016
<b>Operating Expenses</b>			
Contract services	\$ 291,523	\$ 289,549	\$ 290,895
Professional fees	109,278	117,689	137,059
Other	<u>23,065</u>	<u>34,903</u>	<u>22,804</u>
Total Operating Expenses	<u>423,866</u>	<u>442,141</u>	<u>450,758</u>
<b>Income from Operations</b>	126,313	137,949	119,032
<b>Non-Operating Revenues (Expenses)</b>			
Interest income	263,380	244,601	225,378
Repayments on loan program assistance	-	5,100	-
Repayments on down payment second mortgage assistance program loans	93,718	46,117	23,723
Advances for down payment second mortgage assistance program loans	(200,000)	(268,800)	(309,620)
Net decrease in fair value of investments	<u>(43,844)</u>	<u>(51,750)</u>	<u>(74,255)</u>
Total Non-Operating Revenues (Expenses)	<u>113,254</u>	<u>(24,732)</u>	<u>(134,774)</u>
<b>Increase (Decrease) in Net Position</b>	239,567	113,217	(15,742)
<b>Net Position at Beginning of Year</b>	<u>11,652,825</u>	<u>11,539,608</u>	<u>11,555,350</u>
<b>Net Position at End of Year</b>	<u>\$ 11,892,392</u>	<u>\$ 11,652,825</u>	<u>\$ 11,539,608</u>

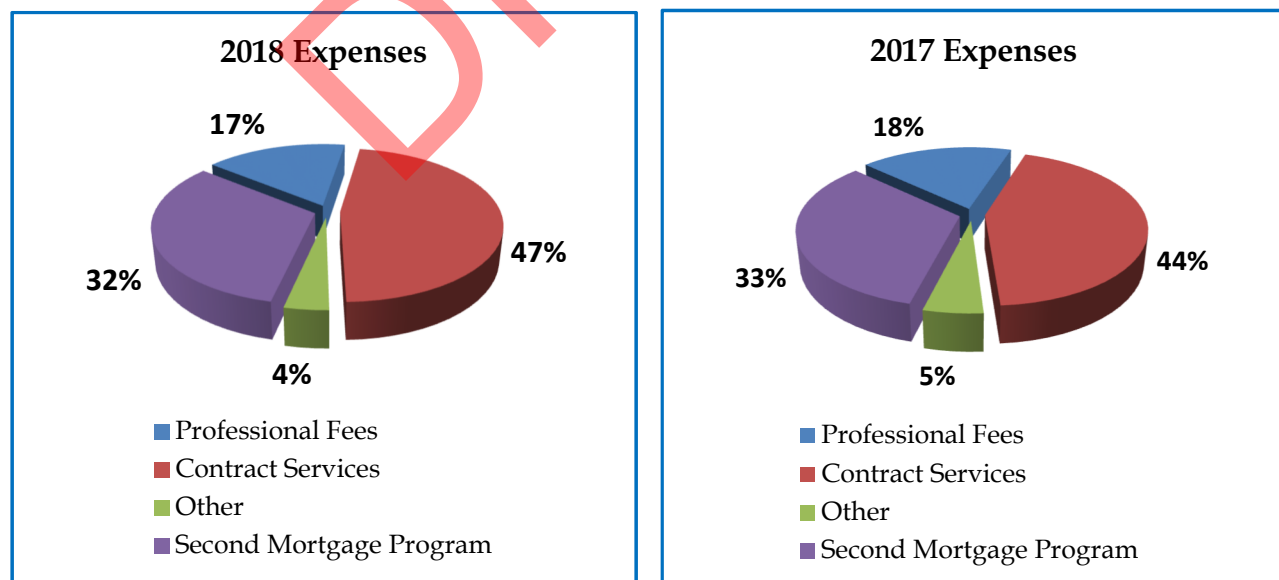
## Revenues by Source

The following graphs illustrate the major sources and percentage of revenues (exclusive of change in fair value of investments) for the years ended September 30, 2018 and 2017:



## Expenses by Source

The following graphs illustrate the major cost centers and the percentage of expenses (exclusive of change in fair value of investments) for the years ended September 30, 2018 and 2017:



### **Capital Assets**

As of September 30, 2018 and 2017, the Authority did not have any capital assets. Its facilities and personnel costs are contracted from Palm Beach County, Florida.

### **Long-Term Debt**

As of September 30, 2018 and 2017, the Authority had no long-term debt. The Authority is prohibited by Florida Housing Finance Authority Law under Part IV of Chapter 159, Florida Statutes (1979) (the "Housing Act"), from incurring debt payable from general revenue.

### **Requests for Information**

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to David Brandt, Executive Director, Housing Finance Authority of Palm Beach County, 100 Australian Avenue, Suite 410, West Palm Beach, Florida 33406.

Sincerely,

David Brandt  
Executive Director

# FINANCIAL STATEMENTS

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

STATEMENTS OF NET POSITION

September 30, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents - includes restricted amounts of \$55,000 in 2018 and \$105,000 in 2017	\$ 8,069,063	\$ 7,781,868
FNMA and GNMA Certificates	891,630	1,161,673
Accrued interest receivable	12,642	10,713
Notes receivable - current portion	2,782,946	2,894,026
Other receivable	28,179	-
<b>TOTAL CURRENT ASSETS</b>	<b>11,784,460</b>	<b>11,848,280</b>
<b>NONCURRENT ASSETS</b>		
Notes receivable - noncurrent portion	227,138	-
<b>TOTAL NONCURRENT ASSETS</b>	<b>227,138</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>12,011,598</b>	<b>11,848,280</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	64,206	90,455
<b>TOTAL CURRENT LIABILITIES</b>	<b>64,206</b>	<b>90,455</b>
<b>NONCURRENT LIABILITIES</b>		
Escrow deposits	55,000	105,000
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>55,000</b>	<b>105,000</b>
<b>TOTAL LIABILITIES</b>	<b>119,206</b>	<b>195,455</b>
<b>NET POSITION</b>		
Unrestricted	11,892,392	11,652,825
<b>TOTAL NET POSITION</b>	<b>\$ 11,892,392</b>	<b>\$ 11,652,825</b>

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended September 30, 2018 and 2017

	2018	2017
<b>OPERATING REVENUES</b>		
Authority fee income	\$ 384,614	\$ 420,341
Single Family Mortgage Program income	165,565	159,749
<b>TOTAL REVENUES</b>	<b>550,179</b>	<b>580,090</b>
<b>OPERATING EXPENSES</b>		
Contract services	291,523	289,549
Accounting and auditing fees	77,723	101,843
Legal fees, consulting and administration	31,555	15,846
Other expenses	23,065	34,903
<b>TOTAL EXPENSES</b>	<b>423,866</b>	<b>442,141</b>
<b>INCOME FROM OPERATIONS</b>	<b>126,313</b>	<b>137,949</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	263,380	244,601
Repayments on loan program assistance	-	5,100
Repayments on down payment second mortgage assistance program loans	93,718	46,117
Advances for down payment second mortgage assistance program loans	(200,000)	(268,800)
Net decrease in the fair value of investments	(43,844)	(51,750)
<b>TOTAL NET NON-OPERATING REVENUES (EXPENSES)</b>	<b>113,254</b>	<b>(24,732)</b>
<b>INCREASE IN NET POSITION</b>	<b>239,567</b>	<b>113,217</b>
Net position at beginning of year	11,652,825	11,539,608
<b>Net position at end of year</b>	<b>\$ 11,892,392</b>	<b>\$ 11,652,825</b>

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

STATEMENTS OF CASH FLOWS

Years Ended September 30, 2018 and 2017

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from programs	\$ 384,614	\$ 420,341
Cash receipts from Single Family Mortgage Program	137,386	172,052
Cash payments for contract and professional services	(427,050)	(388,391)
Cash payments for other expenses	(23,065)	(18,903)
NET CASH PROVIDED BY OPERATING ACTIVITIES	71,885	185,099
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipt of escrow deposits	65,000	120,000
Release of funds from escrow	(115,000)	(169,025)
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	(50,000)	(49,025)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Principal receipts from investments		
FNMA and GNMA Certificates	226,199	375,726
Advances on note receivables	(1,317,715)	(3,517,576)
Receipts on notes receivable	1,201,657	1,122,779
Interest income received on investments and notes receivable	261,451	242,821
Receipts on loan program assistance	-	5,100
Repayments on down payment second mortgage assistance program loans	93,718	46,117
Advances on down payment second mortgage assistance program loans	(200,000)	(268,800)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	265,310	(1,993,833)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	287,195	(1,857,759)
Cash and cash equivalents at beginning of year	7,781,868	9,639,627
Cash and cash equivalents at end of year	\$ 8,069,063	\$ 7,781,868

	<u>2018</u>	<u>2017</u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Income from operations	\$ 126,313	\$ 137,949
Adjustments to reconcile income from operations to net cash provided by operating activities		
Decrease in prepaid expenses	-	16,000
(Increase) decrease in other receivable	(28,179)	12,303
Increase (decrease) in accounts payable	<u>(26,249)</u>	<u>18,847</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 71,885</u>	<u>\$ 185,099</u>
<b>NON-CASH INVESTING ACTIVITIES</b>		
Net decrease in the fair value of investments	<u>\$ (43,844)</u>	<u>\$ (51,750)</u>

See notes to financial statements.



# HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

### NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose: The Housing Finance Authority of Palm Beach County, Florida (the "Authority"), a component unit of Palm Beach County, Florida, was created as a Florida Public Corporation in accordance with the Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes (1979) (the "Housing Act"), following the adoption of an approving ordinance enacted by the Board of County Commissioners of Palm Beach County, Florida, (the "County") to alleviate the shortage of housing available at affordable rates in the County and the shortage of capital for investment in such housing.

Pursuant to the powers granted to the Authority by the Housing Act, the Authority issues single family and multi-family Revenue Bonds to finance the purchase of housing by families with low and moderate incomes through investing in mortgage loans to eligible families. The first mortgage loans are pledged as security for the payment of the Bonds' principal and interest. From inception to September 30, 2018, the Authority has issued approximately \$1 billion in Housing Revenue Bonds. As of September 30, 2018, the Authority has \$ of Bonds outstanding that were originally issued in the aggregate principal amount of \$. Bonds issued by the Authority are not deemed to constitute debt of the Authority, Palm Beach County, the State of Florida, or any political subdivision thereof. The Authority also issues mortgage credit certificates to first-time homebuyers; the issuance of mortgage credit certificates does not create an asset or liability of the Authority. The Authority has also entered into interlocal agreements with other housing finance authorities to allow for the origination of single family mortgage loans in Palm Beach County; these loan programs do not create an asset or liability of the Authority. In connection with the mortgage credit certificates and single family mortgage programs, the Authority has funded down payment assistance second mortgages as further described in note D. The Authority also makes loans of its surplus funds for the development of affordable housing.

Financial Reporting Entity: In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision whether or not to include a potential component unit in the reporting entity was made by applying the criteria set forth in U.S. generally accepted accounting principles (GAAP). As defined by U.S. generally accepted accounting principles, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Authority determined that the only entity to consider when applying the above criteria was Palm Beach County, Florida. The Board of County Commissioners of Palm Beach County appoints the governing Board of the Authority and is financially accountable for the operations of the Authority. Accordingly, the Authority is considered a component unit of Palm Beach County, Florida.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation and Accounting: The Authority's operations are accounted for in a single enterprise fund. The Authority uses the accrual basis of accounting under which revenues are recognized in the period earned and expenses are recognized in the period liabilities are incurred.

Measurement Focus: The Authority's single enterprise fund is accounted for on a cost of service or "economic resources" measurement focus. This means that assets and all activities are included in the statement of net position. Operating statements present increases (revenues) and decreases (expenses) in net position.

Budgets: The Authority adopts an annual, operating budget as a financial plan for the year. The budget is adopted by the governing board as an operating plan and budgetary basis financial statements are not presented because there is no legal requirement to report budgetary basis financial information.

Cash and Cash Equivalents: Cash and cash equivalents consist of money market mutual funds, the Palm Beach County Investment Pool, and investments in the Florida Prime Fund managed by the State of Florida, State Board of Administration. The Authority considers all highly liquid investments with an original maturity of three months or less and all deposits withdrawable upon demand to be cash equivalents. Deposits in the Florida Prime Fund and the Palm Beach County Investment Pool are generally available for withdrawal by the Authority on a next day basis and are therefore considered cash equivalents.

Investments: In accordance with the Authority's investment policy, the Authority may invest in the following investments for the purpose of generating income from available funds on hand:

- The Florida Prime Fund (formerly the Local Government Surplus Trust Fund) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a Nationally Recognized Statistical Rating Organization.
- Savings accounts in state certified qualified public depositories, as defined in Section 280.02, Florida Statutes.
- Certificates of deposit in state certified qualified public depositories, as defined in Section 280.02, Florida Statutes.
- Direct obligations of the U.S. Treasury.
- Federal agencies and instrumentalities.

The Authority may also enter into transactions made for its organizational purposes. These transactions include investments in first or second mortgage loans, mortgage-backed securities, custodial receipts (also known as "interest only strips" or "excess interest portions"), or other qualifying housing development loans made pursuant to Part IV, Chapter 159 Florida Statutes.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments are recorded at fair value based on quoted market prices. When a readily available quoted market value is not available, fair value is based on management's best estimate by reference to market data comparables.

The effective yield on the Authority's cash and cash equivalents and investments as of September 30, 2018 and 2017 was approximately 2.31% and 2.06%, respectively.

Restricted Assets: Restricted resources are used first to fund expenses incurred for restricted purposes.

Insurance: The Authority does not purchase commercial insurance, but relies on the constitutional doctrine of Sovereign Immunity for general liability claims under Florida law. Sovereign Immunity generally limits liability to \$200,000 per person/\$300,000 per incident unless a claims bill is approved by the Florida Legislature awarding damages in excess of that amount. The Authority is also covered through a policy held by Palm Beach County. The Authority has not incurred any claims over the past three fiscal years.

Ad Valorem Taxes: The Authority receives no ad valorem property tax revenues.

Compensated Absences and Other Postemployment Benefits: The Authority has no compensated absence obligations or postemployment benefits because all of its personnel and related benefit costs are provided under an outsource agreement with the County. During the years ended September 30, 2018 and 2017, the Authority's costs related to such services were \$291,523 and \$289,549, respectively.

Net Position: The financial statements utilize a net position presentation. Net position is categorized as:

*Restricted* - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Authority had no restricted net position at September 30, 2018 or 2017.

*Unrestricted* - This component of net position consists of elements of net position that do not meet the definition of *Restricted*.

Revenues and Expenses: The Authority realizes both operating and non-operating revenues and expenses. Operating revenues are derived from fees collected in connection with the issuance of multi-family bond issues and loan origination fees for single family programs. Operating expenses are the expenses related to administration of those programs. Non-operating revenues and expenses result principally from interest income and expense and net proceeds, investments, and arbitrage rebate refunds from redemption of bonds.

Multi-family fees are collected from the developers of multi-family housing projects and consist of periodic fees paid to the Authority based on fixed fee amounts or on a specified percentage of the outstanding principal balances of the long-term debt which financed the projects. The Authority may also

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

collect fees from multi-family project developers at the time of application and upon closing of the related long-term debt. Multi-family fee structures and rates are established by policy.

Implementation of GASB Statements: The following GASB Statement was effective for the Authority for the fiscal year ended September 30, 2018.

GASB Statement No. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB Statements including topics related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. This Statement had no impact on the Authority's financial statements for 2018 and 2017.

Recent Accounting Pronouncements: The GASB has issued the following Statements effective in future years that may impact the Authority. Management has not completed its analysis of the effects, if any, of the following GASB statement that may be applicable to the financial statements of the Authority:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. Statement No. 83 also requires disclosure of information about the government's AROs, including the methods and assumptions used for estimating liabilities and the estimated remaining useful life of the associated tangible capital assets. The requirements of this statement will be effective for the Authority for the fiscal year ending September 30, 2019.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement will be effective for the Authority for the fiscal year ending September 30, 2021.

GASB Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*, defines a majority equity interest and specifies the basis for measurement of a majority equity interest in a legally separate organization. The requirements of this statement will be effective for the Authority for the fiscal year ending September 30, 2020.

Estimates: The preparation of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents: At September 30, 2018 and 2017, cash and cash equivalents consisted of the following:

	2018	2017
Unrestricted:		
Florida Prime Fund	\$ 23,157	\$ 22,721
Federated Government Obligations		
Tax-Managed Fund	89,641	89,641
Fidelity Governmental Fund	84,641	84,641
Goldman Sachs Financial Square Government Fund	938,412	723,539
Palm Beach County Investment Pool	<u>6,878,212</u>	<u>6,756,326</u>
	8,014,063	7,676,868
Restricted:		
Fidelity Institutional Money Market Treasury Portfolio	<u>55,000</u>	<u>105,000</u>
Total cash and cash equivalents	<u>\$ 8,069,063</u>	<u>\$ 7,781,868</u>

The investment in the Florida Prime Fund consists of equity in an external investment pool administered by the State of Florida pursuant to statutory requirements and operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net position used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount. The fair value of the position in the pool is considered to be the same as the Authority's account balance (amortized cost) in the pool. The investment in the pool is not evidenced by securities that exist in physical or book entry form.

The Federated Government Obligations Tax-Managed Fund, Fidelity Governmental Fund, Goldman Sachs Financial Square Government Fund, and Fidelity Institutional Money Market Treasury Portfolio are open end, institutional, money market mutual funds investing in U.S. Treasury and agency obligations and repurchase and reverse repurchase agreements. These money market mutual funds are reported at fair value based on the net asset value (NAV) quoted on a national stock exchange.

On July 10, 2009, the Authority entered into an interlocal agreement with the Clerk and Comptroller, Palm Beach County, to appoint the Clerk as investment manager for the Authority with respect to funds designated by the Authority for investment in the Palm Beach County Investment Pool. The County's pooled cash fund is a highly liquid investment pool of approximately \$1.7 billion and \$1.6 billion as of September 30, 2018 and 2017, respectively, of which approximately 11% and 5%, respectively, is invested in U.S. Government and Agency obligations. Almost all remaining amounts at September 30, 2018 and 2017 were invested in money market accounts and certificates of deposit. The fair value of the Authority's investment in the Palm Beach County Investment Pool is based on information provided by the Clerk and Comptroller, Palm Beach County, Florida. The County's investment policy for this pool requires that all securities be insured or registered in the name of the County and held by a third party custodial

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

institution, with capital and surplus stock of at least \$500 million and a separate custody account at the Federal Reserve Bank that is restricted for the safekeeping of County-owned securities. The equity in the County pooled cash system is available to the Authority on a demand basis. Additional information is available from the County's Comprehensive Annual Financial Report (CAFR) regarding the County's investment policy, interest rate risk, credit risk, custodial credit risk and concentration of credit risk.

The County's CAFR may be viewed on-line at [www.mypalmbeachclerk.com/cafr.aspx](http://www.mypalmbeachclerk.com/cafr.aspx) or may be ordered from Palm Beach County Clerk & Comptroller, Attn: Financial Reporting, 301 North Olive Avenue, West Palm Beach, Florida 33401, or by calling (561) 355-2912.

At September 30, 2018 and 2017, restricted cash equivalents of \$55,000 and \$105,000, respectively, were held as escrow deposits from developers (see Note E).

Investments: The cost and fair value of FNMA and GNMA investments at September 30, 2018 and 2017 are as follows:

	September 30, 2018		
	Cost	Fair Value	Unrealized Appreciation
FNMA Certificates bearing interest at 5.49% - 6.40%, due August 1, 2029 through November 1, 2032	\$ 265,999	\$ 268,966	\$ 2,967
GNMA Certificates bearing interest at 5.24% - 7.00%, due November 15, 2024 through August 15, 2032	579,901	622,664	42,763
	<u>\$ 845,900</u>	<u>\$ 891,630</u>	<u>\$ 45,730</u>
	September 30, 2017		
	Cost	Fair Value	Unrealized Appreciation
FNMA Certificates bearing interest at 5.49% - 6.40%, due August 1, 2029 through November 1, 2032	\$ 307,998	\$ 316,433	\$ 8,435
GNMA Certificates bearing interest at 5.24% - 7.00%, due November 15, 2024 through October 15, 2032	764,101	845,240	81,139
	<u>\$ 1,072,099</u>	<u>\$ 1,161,673</u>	<u>\$ 89,574</u>

The net change in the fair value of these investments for the years ended September 30, 2018 and 2017 was a decrease of \$43,844 and \$51,750, respectively.



HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

The Authority monitors the following deposit and investment risks:

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The money market mutual funds and Florida Prime have a weighted average maturity of less than 90 days, resulting in minimal interest rate risk. The Palm Beach County Investment Pool has an effective duration of approximately 0.40 years. The Authority's investment policy limits the maturity of investments to match cash and anticipated cash flow requirements. The investment in FNMA and GNMA securities are subject to interest rate risk as a function of the length of time to maturity (generally greater than 10 years) and are based on pools of residential home mortgage loans which are subject to prepayments and, therefore, are highly sensitive to changes in interest rates. The table below summarizes the scheduled maturities of these securities at September 30, 2018.

	Fair Value of Investment Maturities	
	Six to Ten Years	More Than Ten Years
FNMA Certificates bearing interest at 5.49% - 6.40%	\$ -	\$ 268,966
GNMA Certificates bearing interest at 5.24% - 7.00%	62,038	560,626
	<u>\$ 62,038</u>	<u>\$ 829,592</u>

**Credit Risk:** Credit risk is the risk that an issuer will not fulfill its obligations. The Authority's investment policy addresses credit risk by limiting allowable investments to the Florida Prime Fund, deposits with a financial institution meeting the requirements of a Florida qualified public depository, Securities Exchange Commission registered money market funds with the highest credit quality rating from a Nationally Recognized Statistical Rating Organization (NRSRO), and securities guaranteed by the U.S. Government. The policy also provides that the Authority may provide funding for or acquire an interest in first or second mortgage loans, custodial receipts or any other loan made in conjunction with a qualified housing development as defined by Florida Statutes. The security rating by a Nationally Recognized Statistical Rating Organization is an indication of credit risk. The Palm Beach County Investment Pool consists of investments that comply with the Authority's investment policy with an average credit rating of AA+/Aa1/AA+. The GNMA and FNMA securities are rated AA+ and the Florida Prime Fund, Federated Government Obligations Tax-Managed Fund, Fidelity Governmental Fund, Goldman Sachs Financial Square Government Fund, and Fidelity Institutional Money Market Treasury Portfolio are rated AAAm by Standard & Poor's at September 30, 2018.

**Custodial Credit Risk:** Custodial credit risk is defined as the risk that the Authority may not recover the securities held by another party in the event of a financial failure. The Authority's investment policy for custodial credit risk requires all investment securities to be held in the Authority's name by a third party safekeeping institution. The investments in the Florida Prime Fund, Federated Government Obligations Tax-Managed Fund, Fidelity Governmental Fund, Goldman Sachs Financial Square Government Fund, Palm Beach County Investment Pool and Fidelity Institutional Money Market Treasury Portfolio are considered *unclassified* pursuant to the custodial credit risk categories. The investments in FNMA and GNMA securities are held by the Authority's safekeeping agent in the Authority's name.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Authority's investment policy addresses the concentration of credit risk by diversifying to the extent practicable to control the risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer or bank. At September 30, 2018 and 2017, approximately 30% and 27%, respectively, of the Authority's investments were in FNMA certificates, and 70% and 73%, respectively, were in GNMA certificates.

Fair Value of Investments: The Authority follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a framework for measuring the fair value of investments in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Authority has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include the following:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs other than quoted prices that are observable for the assets.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the entity's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques would typically include discounted cash flow models and similar techniques, but may also include the use of market prices of assets that are not directly comparable to the subject asset.

The fair value measurement of an asset within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The categorization of an investment within the fair value hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Authority's perceived risk of that investment.

**Valuation Methodologies:** The following valuation methods and assumptions were used by the Authority in estimating the fair value of financial instruments that are measured at fair value on a recurring basis under GASB Statement No. 72:



HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE B - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

*FNMA and GNMA Certificates:* Valued at the closing price reported on the active exchange on which the individual securities are actively traded. Securities that are not actively traded are valued using a matrix pricing technique based on the securities' relationship to quoted benchmark prices.

The methods and assumptions described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Authority believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methods and assumptions used for the year ended September 30, 2018.

*Fair Value of Investments:* The financial assets measured at fair value on a recurring basis include the Authority's FNMA and GNMA Certificates. There were no liabilities measured at fair value on a recurring basis at September 30, 2018. The fair value of the Authority's FNMA and GNMA Certificates at September 30, 2018 and 2017 were all considered to be Level 2 assets.

NOTE C - NOTES RECEIVABLE

Changes in notes receivable for the years ended September 30, 2018 and 2017 consisted of the following:

<u>September 30, 2018</u>	<u>Balance at Beginning of Year</u>	<u>Advances</u>	<u>Repayments</u>	<u>Balance at End of Year</u>	<u>Current Portion</u>
Community Land Trust of Palm Beach County - DLW	\$ 2,894,026	\$ 457,708	\$ (963,788)	\$ 2,387,946	\$ 2,387,946
Community Land Trust of Palm Beach County - Kirk Road	-	465,007	(237,869)	227,138	-
Palm Beach Habilitation Center	-	395,000	-	395,000	395,000
	<u>\$ 2,894,026</u>	<u>\$ 1,317,715</u>	<u>\$ (1,201,657)</u>	3,010,084	<u>\$ 2,782,946</u>
Current portion				<u>(2,782,946)</u>	
Noncurrent portion				<u>\$ 227,138</u>	

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE C - NOTES RECEIVABLE (Continued)

<u>September 30, 2017</u>	<u>Balance at Beginning of Year</u>	<u>Advances</u>	<u>Repayments</u>	<u>Balance at End of Year</u>	<u>Current Portion</u>
Community Land Trust of Palm Beach County - DLW	\$ 422,208	\$ 3,517,576	\$ (1,045,758)	\$ 2,894,026	\$ 2,894,026
Habitat for Humanity of South Palm Beach County, Inc.	<u>77,021</u>	<u>-</u>	<u>(77,021)</u>	<u>-</u>	<u>-</u>
	<u>\$ 499,229</u>	<u>\$ 3,517,576</u>	<u>\$ (1,122,779)</u>	<u>2,894,026</u>	<u>\$ 2,894,026</u>
Current portion				<u>(2,894,026)</u>	
Noncurrent portion				<u>\$ -</u>	

During the year ended September 30, 2018, the Authority approved a \$1,000,000 revolving loan agreement with Palm Beach Habilitation Center to finance a portion of the cost of connecting JB Ranch Facility to the Palm Beach County water and sewer system and the cost of acquiring, constructing and equipping a new six unit group home in Wellington, Florida. The note bears interest at 1% per annum and matures on April 30, 2019. Payments of interest only are payable the first day of each month from May 1, 2018 through maturity. The loan is secured by a lien on, and security interest in, the Investment Account and any grants or donations received for the project. The loan also requires repayment of amounts equal to the amount of grants/donations received from certain entities as defined in the loan agreement. The amount available at September 30, 2018 was \$605,000.

During the year ended September 30, 2017, the Authority approved a \$1,000,000, (\$800,000 if only 6 homes are built), revolving loan agreement with Community Land Trust of Palm Beach County - Kirk Road, for the Kirk Road project, to construct 8 deed-restricted, low to moderate income single-family residences and duplexes located in the Village of Palm Springs, Florida. The loan is due no later than October 31, 2019 and bears interest at 2% per annum. Payments of interest only are payable the first day of each month from December 1, 2017 through maturity. The loan is secured by a mortgage lien on the properties. The amount available at September 30, 2018 was \$772,862.

During the year ended September 30, 2016, the Authority approved a \$1,500,000 revolving loan agreement, which was increased to \$3,400,000 during the year ended September 30, 2017, with Community Land Trust of Palm Beach County - DLW to construct 24 deed-restricted, low to moderate income single-family residences and townhomes located in the City of Lake Worth, Florida. The loan is secured by a first mortgage lien on the site, an assignment of all sales agreements, leases, grants, profits, contracts, plans and specifications related to the project. The loan is due no later than June 30, 2019 and bears interest at 2% per annum through March 31, 2018, at 3% per annum from April 1, 2018 through September 30, 2018, and no interest is due from October 1, 2018 through June 30, 2019. Payments of interest only are payable the first day of each month from May 1, 2016 through September 30, 2018. The amount available at September 30, 2018 was \$1,012,054.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE C - NOTES RECEIVABLE (Continued)

During the year ended September 30, 2014, the Authority approved a \$500,000 revolving loan agreement with Habitat for Humanity of South Palm Beach County, Inc. to construct 4 deed restricted single-family homes in the Ocean Breezes West subdivision and construct or rehabilitate existing single-family homes in southern Palm Beach County. The loan was secured by a mortgage lien on the property and was paid in full on March 31, 2017.

NOTE D - DOWN PAYMENT SECOND MORTGAGE ASSISTANCE - LOANS RECEIVABLE

During the year ended September 30, 2013, the Authority entered into an interlocal agreement with the Lee County Housing Finance Authority ("Lee HFA") to originate first mortgage loans in Palm Beach County (the "Single Family Loan Program"). Lee HFA entered into first mortgage origination agreements with participating lenders to make 30-year fixed rate loans to homebuyers in their respective county. The Authority received income from its participation in the Lee HFA program in the amount of \$165,565 and \$159,749 during the years ended September 30, 2018 and 2017, respectively. During the years ended September 30, 2018 and 2017, the Authority disbursed \$200,000 and \$268,800, respectively, to fund second mortgages under its second mortgage loans (down payment assistance loans) program and received repayments of \$93,718 and \$46,117, respectively.

Management of the Authority believes that substantial uncertainty exists regarding the timing and the ultimate collectability of all of its down payment second mortgage assistance loans. The Authority treats the funding of the loans as a current expense and future repayments, if any, will be recorded as revenue when received. At September 30, 2018 and 2017 the outstanding balance of the down payment second mortgage assistance program loans totaled \$1,384,374 and \$1,282,261, respectively.

NOTE E - ESCROW DEPOSITS

Escrow deposits relating to Habitat for Humanity of South Palm Beach County, Heron Estates Senior and Village of Valor consist of "good faith" deposits received from developers. These deposits are received at such time as a developer enters into a Memorandum of Agreement with the Authority in connection with the proposed issuance of bonds or a development loan. The amount of a good faith deposit is determined by the Authority's Board and is held in escrow to be returned in whole, without interest, to the developer at bond or loan closing, or under certain circumstances used to pay the Authority's and/or staff's costs and expenses if the bond or loan financing is not completed.

Under certain circumstances, "other deposits" are held to assure performance. In connection with the issuance of La Costa Apartments Project Multi-Family Bonds, the developer deposited \$40,000 in escrow with the Authority to ensure potential payments under a fee and environment indemnity agreement. These funds accrued interest at a variable rate which was .01% at September 30, 2017. As of September 30, 2017, the Authority had accrued interest of \$2,059, which amount is included in accounts payable at September 30, 2017 in the accompanying statements of net position. The funds were released with interest to the respective developer under the terms of the respective indemnity agreement during the year ended September 30, 2018.

# HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

### NOTE E - ESCROW DEPOSITS (Continued)

Escrow deposits at September 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Good faith deposits:		
Habitat for Humanity of South Palm Beach County	\$ -	\$ 10,000
Heron Estates Senior	-	55,000
Village of Valor	<u>55,000</u>	<u>-</u>
	55,000	65,000
Other deposits:		
La Costa Apartments Project	<u>-</u>	<u>40,000</u>
	<u>\$ 55,000</u>	<u>\$ 105,000</u>

During the year ended September 30, 2018, the Authority received \$65,000 of deposits from developers and refunded \$115,000 to developers. During the year ended September 30, 2017, the Authority received \$120,000 of deposits from developers and refunded \$169,025 to developers.

### NOTE F - LOAN PROGRAM ASSISTANCE

During the year ended September 30, 2003, the Authority provided for the extension of the loan origination period of the 2001 Series A Single Family Mortgage Bond Program funds for a second mortgage program in an amount up to \$7,500 to assist mortgagors with the closing costs and down payment requirements for the purchase of their home. The loans bear interest at 1% which is due at the time the mortgagors' first mortgage loan is satisfied. Because of the speculative nature of this loan program, the Authority treats the funding of such loans as a current expense and the future repayments, if any, as revenue when received. The Authority contributed \$103,315 to establish this second mortgage program in fiscal 2002. The balance due under these loans as of September 30, 2018 and 2017 was \$11,365 and \$11,365, respectively.

### NOTE G - UNRESTRICTED NET POSITION

At September 30, 2018 and 2017, unrestricted net position includes amounts approved by the Board of the Authority for the following purposes:

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE G - UNRESTRICTED NET POSITION (Continued)

	<u>2018</u>	<u>2017</u>
Down Payment Second Mortgage Assistance Program - Single Family Loan Program	\$ 1,415,626	\$ 1,528,586
Purchase of Single Family Program Mortgage Backed Securities	1,491,148	1,241,148
Construction Loan Programs:		
Community Land Trust of Palm Beach County - DLW	1,012,054	505,974
Habitat for Humanity of South Palm Beach County, Inc.	500,000	500,000
West Palm Beach Housing Authority	250,000	250,000
Community Land Trust of Palm Beach County - Kirk Road	772,862	1,000,000
Palm Beach Habilitation Center	605,000	-
Additional surplus loans	<u>100,000</u>	<u>1,100,000</u>
Total	6,146,690	6,125,708
Undesignated	<u>5,745,702</u>	<u>5,527,117</u>
	<u>\$ 11,892,392</u>	<u>\$ 11,652,825</u>

In 2011, 2012 and 2013 the Authority Board approved various down payment second mortgage assistance programs which are ongoing at September 30, 2018 (see Note D).

The Authority Board approved \$1,650,000 for a single family loan purchase fund. At September 30, 2018 and 2017, \$1,491,148 remained available for use.

During the year ended September 30, 2015, the Authority approved a revolving construction loan for Palm Beach County Community Land Trust - DLW for \$3,400,000. At September 30, 2018, \$1,012,054 remains available for Community Land Trust of Palm Beach County - DLW.

On May 12, 2017, the Authority approved a revolving construction loan for Habitat for Humanity of South Palm Beach County, Inc. in the amount of \$500,000 to finance the construction of homes by Habitat for Humanity of South Palm Beach County, Inc. The loan was issued on October 5, 2017 but no draws were made as of September 30, 2018.

On November 18, 2016, the Authority approved a \$250,000 loan to the West Palm Beach Housing Authority. The loan was issued on September 29, 2017, but no draws were made as of September 30, 2018.

During the year ended September 30, 2017, the Authority approved a \$1,000,000 (\$800,000 if only 6 homes are built) revolving loan agreement with Community Land Trust of Palm Beach County - Kirk Road to construct 8 deed-restricted, low to moderate income single-family residences and duplexes located in the Village of Palm Springs, Florida. The amount available at September 30, 2018 was \$772,862.

During the year ended September 30, 2018, the Authority approved a revolving construction loan for Palm Beach Habilitation Center in the amount of \$1,000,000. At September 30, 2018, \$605,000 remains available under this loan.

HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE G - UNRESTRICTED NET POSITION (Continued)

Prior to the year ended September 30, 2016, the Authority approved \$1,100,000 for additional surplus loans. At September 30, 2018, \$100,000 remains available for additional surplus loans.

DRAFT

**COMPLIANCE REPORT AND  
MANAGEMENT LETTER**

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

To the Honorable Chair and Members of the Board  
Housing Finance Authority of Palm Beach County  
West Palm Beach, Florida

We have audited, in accordance with U.S. generally accepted auditing standards 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 Housing Finance Authority of Palm Beach County, Florida (the "Authority"), a component unit of Palm Beach County, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2019.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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.

West Palm Beach, Florida  
March 15, 2019

DRAFT

## Management Letter

To the Honorable Chair and Members of the Board  
Housing Finance Authority of Palm Beach County  
West Palm Beach, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Housing Finance Authority of Palm Beach County, Florida, a component unit of Palm Beach County, Florida, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 15, 2019.

### **Auditor's Responsibility**

We conducted our audit in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our 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* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 15, 2019, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note A to the financial statements. There were no component units related to the Authority.

**Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Palm Beach County, and the Governing Board, Audit Committee and management of the Housing Finance Authority of Palm Beach County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

West Palm Beach, Florida  
March 15, 2019

## Independent Accountant's Report on Investment Compliance

To the Honorable Chair and Members of the Board  
Housing Finance Authority of Palm Beach County  
West Palm Beach, Florida

We have examined the Housing Finance Authority of Palm Beach County, Florida's (the "Authority", a component unit of Palm Beach County, Florida) compliance with Section 218.415, Florida Statutes, during the year ended September 30, 2018. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Authority's compliance with the specified requirements.

In our opinion, the Authority complied, in all material respects, with the Section 218.415, Florida Statutes, during the year ended September 30, 2018.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes, and is not suitable for any other purpose.

West Palm Beach, Florida  
March 15, 2019

## Communication with Those Charged with Governance

To the Honorable Chair and Members of the Board  
Housing Finance Authority of Palm Beach County  
West Palm Beach, Florida

We have audited the financial statements of the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), for the year ended September 30, 2018. Professional standards require that we provide you with information about our responsibilities under U.S. generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated October 15, 2018. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were as follows:

- Management's estimate of the fair value of its cash equivalents and investments at September 30, 2018. We evaluated the key factors and assumptions used to estimate the fair value of cash equivalents and investments and related investment earnings in determining the amounts are reasonable in relation to the financial statements taken as a whole.
- Management estimated that all second mortgage down payment assistance loans receivable (the "loans") should be fully reserved. No reserves were required relative to the collection of notes receivable. We evaluated the key factors and assumptions used to



determine the allowance for the collectability of the loans and notes receivable and determined management's assumptions are reasonable.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosures related to cash equivalents and investments and their fair value in Note B to the financial statements.
- The disclosures related to unrestricted net position in Note G to the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 15, 2019.

#### *Management Consultations with other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

*Internal Control Related Matters*

In planning and performing our audit, we considered the internal control over financial reporting (internal control) of the Authority as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we did not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of the Authority's internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

*Compliance Related Matters*

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we did 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*.

*Other Information Included in Documents Containing Audited Financial Statements*

We applied certain limited procedures to management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**Restriction on Use**

This information is intended solely for the information and use of the Chair, Members of the Board and Audit Committee, and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.





**Board Members:**

Harry Hedges, Hillsborough County HFA, President  
Angela Abbott, Brevard and Manatee HFA, V-President  
Jim Ryan, Clay County HFA, Secretary/Treasurer  
W. D. Morris, Orange County HFA, Immediate Past President  
Kathryn Driver, Pinellas HFA  
Walt Ferguson, Lee County HFA  
Cheree Gulley, Miami-Dade County HFA  
Pat Lott, Escambia HFA  
Richard Pierro, Manatee County HFA

**Executive Directors**

Mark Hendrickson  
Susan Leigh  
1404 Alban Avenue  
Tallahassee, Florida 32301  
850-671-5601  
Email: flalhfa@gmail.com  
Website: www.flalhfa.com

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January 28, 2019

David Brandt, Executive Director  
Palm Beach County HFA  
100 Australian Avenue, 4<sup>th</sup> Floor  
West Palm Beach, Florida 33406

• RE: Florida ALHFA 2019 Education Conference July 10-13, 2019

Dear  Mr. Brandt:

The Palm Beach County HFA was a Gold Sponsor for last year's Florida ALHFA Education Florida ALHFA Education conference. As we approach the 2019 Conference, we are asking you to again be a sponsor. I have attached the sponsorship information to review. The Sponsorship levels remain the same as last year.

The 2018 conference success was a reflection of the commitment that Palm Beach County HFA has shown to Florida ALHFA by your past participation. You are an important member of our organization and we hope for your continued support in 2019 through a financial commitment as a Conference Sponsor at the same level or higher.

There is an added benefit to sponsoring at a higher level. For local HFA's, if there is a contribution of \$2500 or more (Gold Level), registered Board members from that HFA may bring one guest that will be able to attend the dinner and reception without a guest fee.

Based on your participation, your HFA logo has been seen by all those that have logged on to the Florida ALHFA website this past year and will continue to be seen until May of 2020 as a 2019 sponsor, representing your commitment to our organization.





It has been an exciting year for Florida ALHFA. This past year Florida ALHFA has been able to make substantive changes to our role in important housing policy and program implementation issues for the state. These changes have had a direct benefit to our members and your participation in Florida ALHFA has been one of the keys to that success.

The Florida ALHFA Education Conference will be in Atlantic Beach, at One Ocean. This conference is the one time during the year that members have an opportunity to gather, network, and learn of new programs and successes that have occurred statewide. Your visibility during this conference is valuable brand and your participation and shared knowledge is critical to the overall success of this learning experience.


Florida ALHFA would like you to have the opportunity to participate as a sponsor at this year's 2019 Florida ALHFA Educational Conference.

If you are planning to participate, it would be helpful if you could indicate the level of sponsorship that you will be considering while the paperwork is processing. If you would like me to send this email to someone else in your organization, just direct me to the right person and I will take care of it.

We are looking forward to an educational and well-attended conference and to your participation. Registration and Reservation information will be available in the next 30 days and will be found on the Florida ALHFA website.

I look forward to hearing from you soon, and feel free to call or email with any questions.

Sincerely,



Susan Leigh  
Director  
Florida ALHFA

Attached: Sponsorship Levels and Benefits  
Sponsorship Commitment Form

**2019 FLORIDA ALHFA EDUCATIONAL CONFERENCE**  
**Atlantic Beach, Florida**  
**JULY 10 – 13, 2019**  
**SPONSORSHIP COMMITMENT FORM**

**Sponsorship Level:**

\_\_\_\_\_ Platinum (\$5,000)  
\_\_\_\_\_ Gold (\$2,500)  
\_\_\_\_\_ Silver (\$1,000)  
\_\_\_\_\_ Bronze (\$ 500)

**Other Sponsorship Opportunities**

\_\_\_\_\_ Breakfast Sponsor (Thursday) (\$1,500)  
\_\_\_\_\_ Breakfast Sponsor (Friday) (\$1,500)  
\_\_\_\_\_ Breakfast Sponsor (Saturday) (\$1,500)  
\_\_\_\_\_ Reception Sponsor (\$1,000)

**Exhibit Space at Conference\***

\_\_\_\_\_ Free for Platinum Sponsors- please check if you will be using space  
\_\_\_\_\_ \$300 for Gold Sponsors- please check if you will be using space  
\_\_\_\_\_ \$500 for Silver Sponsors- please check if you will be using space  
\_\_\_\_\_ \$700 for Bronze Sponsors- please check if you will be using space  
\_\_\_\_\_ \$800 for non-sponsors

**\*Subject to availability of space. All advertising and exhibit space will be allocated on a first-come first-served basis.  
Exhibit space will be in a separate room near the meeting space**

**You must register for the conference to participate as an exhibitor.**

**ALL SPONSORS MUST REMIT A CHECK WITHIN 30 DAYS OF VERBAL COMMITMENT  
INFORMATION NEEDED FROM ALL SPONSORS:**

1. Official name to be used for Signage or printed materials:  
\_\_\_\_\_
2. Contact to be used on Event Based Interactive Website:
  - a. Name: \_\_\_\_\_
  - b. Address: \_\_\_\_\_
  - c. Telephone: \_\_\_\_\_
  - d. Email: \_\_\_\_\_
  - e. Website: \_\_\_\_\_
3. Contact for Graphics/Logo or Standardized Ad:  
\_\_\_\_\_
4. Prepare to provide the following no later than **May 15, 2019** via email:
  - a. Logo print ready in the following format (JPG or PDF)
  - b. After the agenda is finalized, If speaking, Photo of person to be used on Event Based Interactive Website (JPG)
5. Authorized Signatory: \_\_\_\_\_

**Return all forms and graphics to:**  
**Susan Leigh**  
**susan@flalhfa.com**

**Checks should be mailed to:**  
**Florida ALHFA**  
**1404 Alban Avenue**  
**Tallahassee, Florida 32301**

**2019 FLORIDA ALHFA EDUCATIONAL CONFERENCE**  
**Atlantic Beach, Florida**  
**JULY 10 – 13, 2019**  
**SPONSORSHIP COMMITMENT FORM**

**SPONSORSHIP LEVELS AND BENEFITS**

**PLATINUM**

\$5,000 Contribution  
Full-page ad in Conference Brochure (first contributor gets choice of inside location or back cover)  
Speaker on Panel  
Free Exhibit Space  
Signage Recognition at all events  
Firm Logo on Florida ALHFA Website for 1 Year  
1 free conference registration (does not include dine around costs)

**GOLD**

\$2,500 Contribution  
Exhibit Space \$300  
Speaker on Panel  
Advertising Space in Conference Brochure  
Signage Recognition  
Firm Logo on Florida ALHFA Website for 1 Year

**SILVER**

\$1,000 Contribution  
Exhibit Space \$500  
Advertising Space in Conference Brochure  
Signage Recognition  
Firm Logo on Florida ALHFA Website for 1 Year

**BRONZE**

\$500 Contribution  
Exhibit Space \$700  
Signage Recognition  
Firm Logo on Florida ALHFA Website for 1 Year

**SPECIFIC EVENT SPONSORS:**

\$1,000 for Reception  
\$1,500 for Breakfast  
Signage Recognition  
Firm Logo on Florida ALHFA Website for 1 Year

**SPECIAL HFA SPONSORSHIP BENEFIT**

Any HFA that sponsors at the Gold or Platinum level or above (total of sponsorships \$2,500 or greater) will be allowed one free guest registrations for every one of your HFA's Board Members who register and attend the conference.

This is limited to on-time registrations for both Board members and guests.

## **Tab 4**

### **VII. Other Matters - attachments**

- a.** Matters of Executive Director memorandum
- b.** Other affordable housing related item(s)

To: Housing Finance Authority

From: Executive Director

Date: March 5, 2019

RE: Matters of Executive Director

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**NALFHA and FL ALHFA annual conferences**

The NALHFA conference in Denver is May 15-18 at the Hilton Denver City Center. The final day for early-bird conference registration is April 12 so please let me know before if you plan to attend. As of this date I and two board members are planning on attending this conference.

The FL ALHFA conference is back for one more year at the One Ocean, Atlantic Beach, Florida on July 10-13. The conference hotel reservation site is now open until June 1. If you plan on attending this conference, please make your hotel reservation and then contact the Authority office so we can submit a conference registration by May 31 so as not to incur the \$100 additional late fee.

**Florida legislative update**

You will recall that Suzanne Cabrera of the Housing Leadership Council of PBC mentioned during her presentation at the January 11, 2019 meeting that two major Senate bills had been filed prior to the start of the 2019 session on March 4. Since that time companion bills have been filed in the House: in summary SB 842/HB 729 would authorize certain counties (such as Palm Beach) to levy a discretionary documentary surtax similar to the one in Miami-Dade, and SB 70/HB 1103 to stop sweeps of the Sadowski Housing Trust Fund.

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From the South Florida Business Journal:

<https://www.bizjournals.com/southflorida/news/2019/01/31/housing-trust-group-starts-isles-of-pahokee.html>

## Housing Trust Group starts affordable housing project in Palm Beach County

Jan 31, 2019, 2:51pm EST

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Housing Trust Group has begun a 129-unit affordable housing project outside of Pahokee, a community near Lake Okeechobee.

In a joint venture with the Pahokee Housing Authority, the Coconut Grove-based developer, acquired the 34 buildings at Padgett Circle, East 7th Street, Shirley Drive and Belle Glade Road for \$4.52 million.

The developer has tapped \$11.5 million in Low Income Housing Tax Credits, a \$9.2 million construction loan from Chase Bank, and a \$802,121 HOME loan from Palm Beach County for the project.

The 129 apartments at Isle of Pahokee will be fully renovated by early 2020. The work will include new Energy-star appliances and anew community center. The units will be reserved for people 55 and up earning no more than 60 percent of area median income.

“We are grateful for the partnership with the Pahokee Housing Authority, which enables us to provide much needed affordable housing for the area’s senior demographic” said HTG President and CEO [Matthew Rieger](#). “With the renovation of this 129-unit development, we are able to continue building upon the growth of the area and enhance what has already been established as a safe, reliable living destination within Pahokee.”

Nearly 39 percent of Pahokee residents live below the poverty level.

**Brian Bandell**

Senior Reporter

*South Florida Business Journal*



JOCK FISTICK

Matthew A. Rieger of Housing Trust Group



# The Palm Beach Post

REAL NEWS STARTS HERE

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## First look: New development west of Wellington has community farm, 1-mile lake

By Matt Morgan

Posted Apr 28, 2017 at 12:01 AM

Updated May 1, 2017 at 4:53 PM

After years of planning and construction just west of Lion Country Safari, the public finally got a look at the groundwork for the massive, nature-focused Arden development Saturday.

Arden, projected to be 2,000 homes in 10 years, is celebrating the opening of its first neighborhood and taking reservations for homes. The development claims it will be like no other in Palm Beach County.

A model home design by Ryan Homes, which is building half of the first phase of Arden (Matt Morgan/The Palm Beach Post).

Palm Beach Post Staff Writer

Among the unique features:

- Nearly every home will back up to a park, greenway or nature trail.
- A mile-long lake will be in the center of the property.
- Residents will share in the harvest of fresh vegetables from a community farm.

Ryan Homes, headquartered in Reston, Va., is building about 200 homes in the first phase and will start as soon as the contracts are signed from the interested homeowners. They already have 24 lot reservations for the homes, priced from the \$300,000s for the Artisan Collection to the \$400,000s for the Homestead Collection.

**READ: 2,000-home, agriculture-based community to open near Wellington**

Every house will be backed up to greenspace (Contributed)

Palm Beach Post Staff Writer

For Freehold Communities — the Arden developers — the unveiling of the model homes and landscaping is a mix of nervous energy and excitement.

“It’s kind of like having a baby,” said Freehold’s Southeast Division President Andy Smith. “You hope it’s pretty when it comes out.”

A monthly \$246 homeowner’s association fee will cover landscape maintenance, a community clubhouse and crops from the community farm.

A 1-mile lake is at the center of the community (Contributed)

Palm Beach Post Staff Writer

Arden’s theme is “Old Florida,” Smith said, emphasizing nature. Green spaces, the lake and 19 miles of walking and running trails are all in the community.

#### **READ: Five next big things for Wellington**

They only planted a handful of palm trees, opting for a more genuine look with native Florida trees such as oaks.

One of the most recognizable features is the mile-long lake. They set up all the stop signs so drivers will look out over the lake in the middle.

A mile-long lake stretches through the Arden community west of Lion Country Safari (Matt Morgan/The Palm Beach Post).

Palm Beach Post Staff Writer

For now, all children will attend Wellington schools, zoned for Binks Forest Elementary School, Wellington Landings Middle School and Wellington High School. The district looks at possible changes to school zoning every year, so Smith said they can’t guarantee those schools long term. They have dedicated land to build a school within the community, but there are no plans for that yet.

#### **READ: How three projects on Southern Boulevard could change your commute**



There are also no plans nor even talk of trying to incorporate Arden, which is what Westlake did to become the Palm Beach County's most recent municipality.

Arden's two story community clubhouse is under construction and expected to be complete in 2018 (Matt Morgan/The Palm Beach Post).

Palm Beach Post Staff Writer

A rendering showing the Arden farm (Rendering provided).

Palm Beach Post Staff Writer

"We have a pretty good working relationship with the county and we intend to continue that," he said.

The county is also already preparing for Arden's arrival with road projects, specifically on Southern Boulevard.

The road is expected to be widened from four lanes to six lanes west of Crestwood/Forest Hill to the entrance of Arden. That project is slated for 2018 and expected to cost \$46.3 million.