

**HOUSING FINANCE AUTHORITY OF  
VOLUSIA COUNTY**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020**

**HOUSING FINANCE AUTHORITY OF VOLUSIA COUNTY**  
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**SEPTEMBER 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
Housing Finance Authority of Volusia County:

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

We have audited the accompanying financial statements of the Housing Finance Authority of Volusia County ("the Authority"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 entity'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 opinion.

***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 Volusia County as of September 30, 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

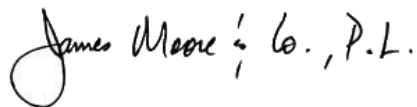
***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Daytona Beach, Florida  
June 29, 2021

**Housing Finance Authority of Volusia County**  
**Management's Discussion and Analysis (Unaudited)**  
Fiscal Year Ending September 30, 2020

The Housing Finance Authority of Volusia County (the "Authority") provides this section of the financial statements to present management's analysis of the Authority's financial performance during the fiscal year ending September 30, 2020. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the financial statements and notes to financial statements, which follow this section.

**Overview of the Authority**

The Authority was created as a public body corporate and politic in accordance with the Florida Housing Finance Authority Law, Part IV, of Chapter 159, Florida Statutes, as amended (the "Act"), and Ordinance No. 81-15 (the "Ordinance") adopted by the County Council of Volusia County, Florida (the "County") on July 30, 1981, and was authorized to act in accordance with the Act and the Ordinance by Resolution No. 81-67, adopted by the County on July 30, 1981. The Authority is authorized, in furtherance of the public purposes described in the Act, to alleviate the shortage of affordable residential housing facilities for low, moderate, and middle-income families in Volusia County, Florida, by issuing, *inter alia*, revenue bonds. The Authority's bonds and other related debt obligations do not and shall never constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith or loan credit of the Authority or of the County. The Authority has no taxing power. Accordingly, such financial obligations are not included within the Authority's Basic Financial Statements. In furtherance of its mission, the Authority has traditionally borrowed money through the issuance of conduit revenue bonds to finance the construction and equipping of multi-family housing developments in the County for low, moderate, and middle-income families.

**Financial Highlights**

Key financial highlights for the 2020 fiscal year are as follows:

The Authority's net position exceeded its liabilities by \$894,308, an increase of \$51,754 from \$894,308 at the beginning of the fiscal year.

Total assets decreased at the end of the fiscal year by \$212,886, primarily due to the return of \$312,250 of good faith cash deposits upon the issuance of the related bonds during the fiscal year.

Total operating revenues increased \$36,166, primarily as a result of seven additional bond issuances during the fiscal year.

Total operating expenditures increased \$37,953 due to additional professional services associated with the bond issuances.

The Authority issued seven new bonds during the fiscal year ending September 30, 2020.

## **Overview of the Financial Statements**

The financial statements consist of two parts: Management's Discussion and Analysis and the Basic Financial Statements. The Basic Financial Statements offer short-term and long-term financial information about the Authority's activities, and consist of (i) the Statement of Net Position (the "financial position"), (ii) the Statement of Revenues, Expenses, and Changes in Net Position ("operating statement"), and (iii) the Statement of Cash Flows (the "cash flow statement"). The Basic Financial Statements also include notes that explain in more detail some of the information in the Basic Financial Statements. The Authority's Basic Financial Statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, regardless of when the cash flow takes place. Operating costs and expenses are charged to expense as incurred. Operating revenues consist primarily of compliance monitoring income, authority fees, and application fees. Non-operating revenue consist of revenue that is related to investing activity.

### **Basic Financial Statements**

The Statement of Net Position presents the Authority's current and non-current assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations of the Authority (liabilities). It also provides the basis for computing rate of return evaluating the capital structure of the Authority and the liquidity and financial flexibility of the Authority.

The net results of the current year's revenues and expenses represent the changes in net position. This operating statement measures the success of the Authority's operations over the past fiscal year and can be used to determine the extent by which the Authority's revenues from operations exceeded its expenses or changes in net position used to determine the growth or decline of net position.

The primary purpose of the Statement of Cash Flows is to present the specific sources and uses of cash and activities that created or required cash of the Authority with the results being the ending cash balance.

### **Financial Analysis**

Our analysis of the Basic Financial Statements of the Authority begins below. One of the most important questions asked about the Authority's finances is, "Does the Authority consistently employ fiscally sound operating methods to successfully manage its finances?" The Basic Financial Statements provide information about the Authority's activities in a way that will help answer this question. These financial statements report the net position of the Authority and changes in them. You can think of the Authority's net position - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in interest rates, economic conditions, regulations and new or changed government legislation.

## Net Assets

To begin our analysis, a summary of the Authority's balance sheet is presented in Table A-1.

Table A-1  
Statement of Net Position

|                                    | Fiscal Year<br>2020 | Fiscal Year<br>2019 | Dollar<br>Change    | Percentage<br>Change |
|------------------------------------|---------------------|---------------------|---------------------|----------------------|
| Current assets                     |                     |                     |                     |                      |
| Cash                               | \$ 1,009,820        | \$ 1,231,006        | \$ (221,186)        | (18.0)%              |
| Accounts receivable                | 22,984              | 14,684              | 8,300               | 56.5%                |
| Total current assets               | <u>1,032,804</u>    | <u>1,245,690</u>    | <u>(212,886)</u>    | <u>(17.1)%</u>       |
| Total assets                       | <u>\$ 1,032,804</u> | <u>\$ 1,245,690</u> | <u>\$ (212,886)</u> | <u>(17.1)%</u>       |
| Current liabilities                |                     |                     |                     |                      |
| Accounts payable                   | \$ 8,885            | \$ 9,750            | \$ (865)            | (8.9)%               |
| Unearned revenue                   | <u>77,857</u>       | <u>29,382</u>       | <u>48,475</u>       | <u>165.0%</u>        |
| Total current liabilities          | 86,742              | 39,132              | 47,610              | 121.7%               |
| Non-current liabilities            |                     |                     |                     |                      |
| Advance deposits                   | <u>-</u>            | <u>312,250</u>      | <u>(312,250)</u>    | <u>(100.0)%</u>      |
| Total liabilities                  | 86,742              | 351,382             | (264,640)           | (75.3)%              |
| Net Position:                      |                     |                     |                     |                      |
| Unrestricted                       | <u>946,062</u>      | <u>894,308</u>      | <u>51,754</u>       | <u>5.8%</u>          |
| Total liabilities and net position | <u>\$ 1,032,804</u> | <u>\$ 1,245,690</u> | <u>\$ (212,886)</u> | <u>(17.1)%</u>       |

As can be seen in Table A-1 above, total assets decreased \$212,886 from \$1,245,690 to \$1,032,804 in fiscal year 2020 primarily as the result of the return of the good faith cash advance deposits.

Table A-2  
Condensed Statements of Revenues, Expenses,  
And Changes in Net Position

|  | Fiscal Year<br>2020 | Fiscal Year<br>2019 | Dollar<br>Change | Percentage<br>Change |
|--|---------------------|---------------------|------------------|----------------------|
| Operating revenues                         |                     |                     |                  |                      |
| Compliance monitoring income               | \$ 3,664            | \$ 3,661            | \$ 3             | 0.1%                 |
| Authority fees                             | 84,169              | 41,006              | 43,163           | 105.3%               |
| Application fees                           | 7,000               | 14,000              | (7,000)          | (50.0)%              |
| Total operating revenues                   | <u>94,833</u>       | <u>58,667</u>       | <u>36,166</u>    | <u>61.6%</u>         |
| Operating expenses                         |                     |                     |                  |                      |
| Administrative expenditures                | 2,102               | 1,532               | 570              | 37.2%                |
| Professional fees                          | 51,778              | 14,395              | 37,383           | 259.7%               |
| Total operating expenses                   | <u>53,880</u>       | <u>15,927</u>       | <u>37,953</u>    | <u>238.3%</u>        |
| Non-operating revenues (expenses)          |                     |                     |                  |                      |
| Interest income                            | 127                 | 104                 | 23               | 22.1%                |
| Other income                               | 10,674              | 2,282               | 8,392            | 367.7%               |
| Total non-operating revenues<br>(expenses) | <u>10,801</u>       | <u>2,386</u>        | <u>8,415</u>     | <u>352.7%</u>        |
| Change in net position:                    | <u>51,754</u>       | <u>45,126</u>       | <u>6,628</u>     | <u>14.7%</u>         |
| Net position, beginning of year            | <u>894,308</u>      | <u>849,182</u>      | <u>45,126</u>    | <u>5.3%</u>          |
| Net position, end of year                  | <u>\$ 946,062</u>   | <u>\$ 894,308</u>   | <u>\$ 51,754</u> | <u>5.8%</u>          |

While the Statement of Net Position shows the change in financial position, the operating statement provides answers as to the nature and source of these changes.

### Fund Analysis

During the current fiscal year ending September 30, 2020, the operating statement reflects that there was an increase in revenues that lead to an increase in net position of \$51,754 compared to an increase in fiscal year 2019 of \$45,126. This net position increase in fiscal year 2020 resulted from the effect of the numerous bond issuances during the year. Accordingly, the Statement of Net Position in fiscal year 2020 reflects an increase in the net position. Overall, the Basic Financial Statements demonstrate that the Authority employed fiscally sound operating methods to manage its finances while performing services consistent with its mission under the Act.



### **Economic Factors and Next Year's Budget**

The Authority's Members, acting as its Board of Directors, are responsible for the management of the Authority's resources and they considered many factors when setting the fiscal year 2020 and 2021 budgets. These factors include, but are not limited to, whether or not the Authority's revenue stream from issuer and compliance monitoring fees generated from existing and/or prospective bond projects will remain stable and positive or will fluctuate for reasons outside the control of the Authority, the vagaries of market conditions on the demand for new multi-family housing starts and costs related thereto, the impact of tax or other incentives available to developers under existing law to stimulate new multi-family housing construction in Volusia County, and general economic and market conditions that affect the Authority's revenues and expenses.

The projected budget for fiscal year 2021 reflects an increase in revenues primarily from project application fees as a result of new projects that would replace the projects that have been paid off.

### **Request for Information**

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chairman, Housing Finance Authority of Volusia County, c/o its general counsel, Sarah Metz, P.O. Box 15200, Daytona Beach, Florida 32115-5200.

**HOUSING FINANCE AUTHORITY OF VOLUSIA COUNTY**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2020**

**ASSETS**

|                           |                            |
|---------------------------|----------------------------|
| <b>Current assets</b>     |                            |
| Cash and cash equivalents | \$ 1,009,820               |
| Accounts receivable       | 22,984                     |
| Total current assets      | <u>1,032,804</u>           |
| <b>Total Assets</b>       | <u><u>\$ 1,032,804</u></u> |

**LIABILITIES AND NET POSITION**

|   |                            |
|---|----------------------------|
| <b>Liabilities</b>                        |                            |
| Current liabilities                       |                            |
| Accounts payable                          | \$ 8,885                   |
| Unearned revenue                          | 77,857                     |
| Total current liabilities                 | <u>86,742</u>              |
| Total liabilities                         | <u>86,742</u>              |
| <b>Net Position</b>                       |                            |
| Unrestricted                              | <u>946,062</u>             |
| Total net position                        | <u>946,062</u>             |
| <b>Total Liabilities and Net Position</b> | <u><u>\$ 1,032,804</u></u> |

The accompanying notes to financial statements  
are an integral part of this statement.

**HOUSING FINANCE AUTHORITY OF VOLUSIA COUNTY  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

|   |                |
|---|----------------|
| <b>Operating revenues</b>                   |                |
| Compliance monitoring income                | \$ 3,664       |
| Authority fees                              | 84,169         |
| Application fees                            | 7,000          |
| Total operating revenues                    | 94,833         |
| <br><b>Operating expenses</b>               |                |
| Administrative expenses                     | 2,102          |
| Professional fees                           | 51,778         |
| Total operating expenses                    | 53,880         |
| <br><b>Operating income</b>                 | <br>40,953     |
| <br><b>Nonoperating revenues (expenses)</b> |                |
| Interest income                             | 127            |
| Other income                                | 10,674         |
| Total nonoperating revenues (expenses)      | 10,801         |
| <br><b>Change in net position</b>           | <br>51,754     |
| <br><b>Net position, beginning of year</b>  | <br>894,308    |
| <br><b>Net position, end of year</b>        | <br>\$ 946,062 |

The accompanying notes to financial statements  
are an integral part of this statement.

**HOUSING FINANCE AUTHORITY OF VOLUSIA COUNTY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

|   |                     |
|---|---------------------|
| <b>Cash flows from operating activities</b>   |                     |
| Cash received from developers   | \$ 145,682          |
| Cash payments for return of good faith deposits upon issuance of related l              | (312,250)           |
| Cash payments for contractual and other services  | (54,745)            |
| Net cash provided by operating activities   | (221,313)           |
| <b>Cash flows from investing activities</b>   |                     |
| Interest received   | 127                 |
| Net cash provided by (used in) investing activities                                     | 127                 |
| <b>Net increase in cash and cash equivalents</b>  | (221,186)           |
| <b>Cash and cash equivalents, beginning of year</b>                                     | 1,231,006           |
| <b>Cash and cash equivalents, end of year</b>   | \$ 1,009,820        |
| <b>Reconciliation of operating income to net cash provided by operating activities</b>  |                     |
| Cash flows from operating activities  |                     |
| Operating income  | \$ 40,953           |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                     |
| Miscellaneous income  | 10,674              |
| Changes in assets and liabilities   |                     |
| Decrease (Increase) in accounts receivable  | (8,300)             |
| Increase (Decrease) in accounts payable   | (865)               |
| Increase (Decrease) in unearned revenue   | 48,475              |
| Increase (Decrease) in advance deposits   | (312,250)           |
| Total adjustments   | (262,266)           |
| <b>Net cash provided by operating activities</b>  | <b>\$ (221,313)</b> |

The accompanying notes to financial statements  
are an integral part of this statement.

**HOUSING FINANCE AUTHORITY OF VOLUSIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Housing Finance Authority of Volusia County (“the Authority”), which affect significant elements in the accompanying financial statements:

(a) **Reporting entity and services**—The Housing Finance Authority of Volusia County a body Corporate and Politic, was created in 1981 in accordance with the Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes, following the adoption of an approving ordinance by the County Council of the County of Volusia, Florida. The Authority was created and is governed by County Ordinance 81-15. The Authority is authorized, in furtherance of the public purposes described in the Housing Finance Authority Law, to issue its revenue bonds in order to provide funds to alleviate the shortage of affordable rental housing and residential housing facilities for low- and moderate- income families and persons, and to provide capital for investment in such housing facilities. Revenue bonds issued by the Authority are special obligations of the Authority payable solely from the revenues, receipts, and resources pledged under the related trust indenture. These revenue bonds do not constitute a debt, liability, general or moral obligation or pledge of the faith or credit of the Authority, Volusia County, the State of Florida, or any of its political subdivisions. Accordingly, such obligations are not included within the accompanying financial statements. The Authority has no taxing power.

Financial oversight and accountability to the citizens of Volusia County is provided by the County Council (“the Council”). The Council appoints the Authority members, who serve four-year terms. Members may be reappointed. Prior to issuance by the Authority, the Council approves bond financings, when required by either the Ordinance or federal tax law. Pursuant to Florida Statutes, the Council may alter or change the structure, organization, programs, or activities of the Authority; terminate the Authority; and remove members of the Authority. The Authority has no employees and is managed by its members and legal counsel. The Authority has no component units.

(b) **Basis of presentation**—The accounting records of the Authority are organized on the basis of funds as prescribed by GAAP in the United States applicable to governments as established by the Governmental Accounting Standards Board (GASB). The Authority is required to follow all statements of the GASB. The operations of the Authority are carried out by a single fund and accounted for within a separate set of self-balancing accounts recording cash and other financial resources, together with related liabilities, net position, revenues, and expenses.

The accompanying financial statements present the financial position, changes in financial position, and cash flows of the Authority.

(c) **Measurement focus and basis of accounting**—Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made regardless of the measurement focus applied.

The financial statements of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, regardless of when the cash flow takes place. Operating costs and expenses are charged to expense as incurred.

**HOUSING FINANCE AUTHORITY OF VOLUSIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Operating revenues consist primarily of compliance monitoring income, authority fees and application fees, Nonoperating revenue consists of revenue that is related to investing activity.

(d) **Net position flow assumption**—When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, and then unrestricted resources as they are needed.

(e) **Accounts receivable**—The Authority's accounts receivable consists of amounts due from developers. The Authority performs credit evaluations on their developers.

(f) **Cash and cash equivalents**—The Authority considers all short-term investments with an initial maturity of less than three months when purchased by the Authority to be cash equivalents. Cash and cash equivalents consist of demand deposits and investments in external investment pools.

(g) **Advance deposits**—The Authority usually requires a good-faith deposit from developers seeking new bond financing or bond refunding for multi-family developments. To the extent necessary, the deposited funds are subsequently utilized to pay the professional fees incurred to structure and close the bond financing. Unused funds are returned to the developer. As of September 30, 2020, there were no deposits held.

(h) **Accounting estimates**—The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenditures/expenses during the reported periods. Actual results could differ from those estimates.

(i) **Budgets**—The Authority adopts a balanced budget annually. The Authority is authorized to amend any areas of the budget, as appropriate, based on changing circumstances or events. There were no amendments in the current year.

(2) **Cash and Cash Equivalents:**

The Authority maintains its funds in an interest-bearing checking account, in a checking account held in escrow by legal counsel. At September 30, 2020, the bank balance of the Authority’s deposits held by the Authority was \$1,009,820. The deposits were with one bank, which is part of a branch banking system covering the State of Florida. The maximum amount covered by federal depository insurance or collateral (“FDIC”) was \$250,000 per depositor at each separately chartered FDIC-insured depository institution. The amount of the bank balance of deposits not covered by FDIC at September 30, 2020 was \$759,820. However, the entire amount of the bank balance of deposits is secured by the bank through participation in the State of Florida Security for Public Deposits Act.

**HOUSING FINANCE AUTHORITY OF VOLUSIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

(2) **Cash and Cash Equivalents:** (Continued)

The Florida Security for Public Deposits Act (“the Act”) establishes guidelines for qualifications and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral. Under the Act, the Authority’s deposits in qualified public depositories are totally insured and the Authority is authorized to deposit funds only in Qualified Public Depositories. The qualified public depository must pledge at least 50 percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125 percent, may be required, if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the Treasurer.

(3) **Conduit Debt Obligations:**

From time to time, the Authority has issued revenue bonds to finance the construction or acquisition of multi-family housing developments which are intended for occupancy in part by persons of low, moderate, or middle income. Neither the Authority, nor the County, or the State, or any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2020, there were eleven series of multi-family revenue bonds outstanding with an aggregate principal amount payable of \$53,152,815.

(4) **Risk Management:**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

(5) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the City’s financial statements:

GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. GASB 91 provides for a single method of reporting conduit debt obligations and requires essential information related to the conduit debt obligations be disclosed in the notes to the financial statements. The provisions in GASB 91 are effective for periods beginning after December 15, 2021.

**HOUSING FINANCE AUTHORITY OF VOLUSIA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**(6) Risks and Uncertainties – COVID-19:**

Subsequent to September 30, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Authority as of June 29, 2021, management believes that an impact on the Authority's financial position and results of future operations is reasonably possible.



**INDEPENDENT AUDITORS' 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 Board of Directors of the  
Housing Finance Authority of Volusia County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Finance Authority of Volusia County (“the Authority”), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated June 29, 2021.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, as described below as item 2020-001, that we consider to be a material weakness.

### **2020-001 Preparation of Financial Statements (Repeat Finding)**

The internal control structure of the Authority has focused primarily on the objective of effectiveness and efficiency of operations (i.e., performance and mission goals and safeguarding of resources). However, the system of internal control over the objectives of reliability of financial reporting contains certain deficiencies. A key element of financial reporting is the ability of management to select and apply the appropriate accounting principles to prepare financial statements in accordance with generally accepted accounting principles. Certain adjustments were required to be made to the accounting records prior to the start of the audit process and during the process of the audit related to accounts receivable, notes receivable, accounts payable, deferred revenue, operating revenue, operating expenses, and net position. Since these adjustments, if not recorded, would have resulted in a material misstatement of the financial statements, this deficiency is deemed to be a material weakness.

*Management Response:* While the Authority agrees with the above finding, the Authority operated on a cash basis to keep its costs and administrative structure to a reasonable minimum, and advises that no loss of funds or issues as to accountability or actual control have occurred. Providing these additional control procedures adds complexity to its operation and diverts resources (time and money) from the Authority's principle purpose of providing a means to alleviate the shortage of affordable housing for low, moderate, or middle income eligible persons within its area of operation.

### ***Compliance and Other Matters***

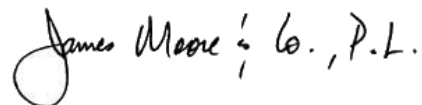
As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Housing Finance Authority of Volusia County's Response to Findings**

The Authority's response to the findings identified in our audit is described above. We did not audit the Authority's response and, accordingly, we express no opinion on it.

### **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.



Daytona Beach, Florida  
June 29, 2021

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED  
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA  
OFFICE OF THE AUDITOR GENERAL**

To the Board of Directors of the  
Housing Finance Authority of Volusia County:

**Report on the Financial Statements**

We have audited the basic financial statements of the Housing Finance Authority of Volusia County (“the Authority”), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 29, 2021.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountants' Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 29, 2021, 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. Two findings were reported in the most recent audit and have not yet been fully corrected. The following summarizes the status of prior audit findings and recommendations:

**2018-001 Preparation of Financial Statements** – Previously reported as 2014-001 in the second preceding financial audit report. Corrective action not taken. See 2020-001.

**2018-002 Compliance with State Audit Requirements** – Corrective action taken.

### **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. The legal authority for the primary government and component units of the reporting entity is disclosed in Note (1) of the basic financial statements.

### **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Authority did not experience any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided be same.

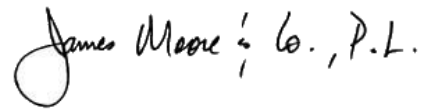
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **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 Florida House of Representatives, the Florida Auditor General, Volusia County Council, the board of directors, management, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.



Daytona Beach, Florida  
June 29, 2021

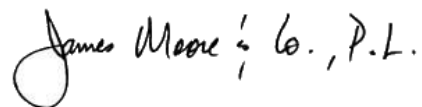
## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Board of Directors of the  
Housing Finance Authority of Volusia County:

We have examined the Housing Finance Authority of Volusia County's ("the Authority") compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance 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 is in compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, in all material respects. An examination involves performing procedures to obtain evidence about the Authority's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinions.

In our opinion, the Housing Finance Authority of Volusia County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.



Daytona Beach, Florida  
June 29, 2021

June 29, 2021

To the Board of Directors,  
Housing Finance Authority of Volusia County:

We have audited the financial statements of Housing Finance Authority of Volusia County (the Authority) as of and for the year ended September 30, 2020, and have issued our report thereon dated June 29, 2021. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated February 23, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit, if any, in a separate letter to you dated June 29, 2021.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, and our firm, have complied with all relevant ethical requirements regarding independence.

We have applied safeguards related to our preparation of the Authority's financial statements, including, but not limited to, an assessment of management's skills, knowledge, and experience.

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended September 30, 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. We have evaluated and determined there are no significant sensitive accounting estimates affecting the financial statements.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. No sensitive disclosures affecting the Authority's financial statements were noted.

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

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements. Listed below are uncorrected financial statement misstatements, if any, whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. There were no such misstatements noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following misstatements were noted:

- Adjustment to beginning fund balance for recognition of the FY2018 forgiveness of the note receivable from Habitat for Humanity, decreasing the note receivable and fund balance by \$159,000.

- Recognition of accounts payable for professional fees for FY2020 of \$8,885 and for FY2019 of \$9,750.
- To correct overstatement of revenue by \$48,475, overstatement of accounts receivable by \$6,743, understatement of deferred revenue by \$43,567, and a prior period adjustment to decrease fund balance by \$1,835.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter dated June 29, 2021.

### **Management's Consultations with Other Accountants**

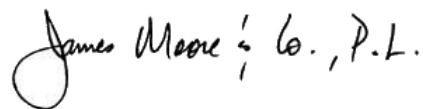
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings or Issues**

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended solely for the use of the Board of Directors and management of the Housing Finance Authority of Volusia County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



JAMES MOORE & CO., P.L.



**Housing Finance Authority of Volusia County**

c/o Sarah L. Metz, Esq., General Counsel, by mail to:

P.O. Box 15200

Daytona Beach, FL 32115-5200, or

By Express Courier to:

444 Seabreeze Blvd., Suite 900

Daytona Beach, Florida 32118

(386) 254-6875

(386) 257-1834 Fax

Erick Palacios  
Wilbur C. "King" Pickett  
Robert "Alex" Bittner  
Gary M. Roush

Chairman/Member  
Vice Chariman/Member  
Secretary/Member  
Assistant Secretary/Member

June 29, 2021

James Moore & Co., P.L.  
121 Executive Circle  
Daytona Beach, FL 32114-1180

This representation letter is provided in connection with your audit of the Housing Finance Authority of Volusia County, Florida ("the Authority") as of September 30, 2020, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 29, 2021:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 23, 2021, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes for the Authority.
6. We have a process to track the status of audit findings and recommendations.

7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
9. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
10. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11. The effects of uncorrected misstatements, if any, summarized below and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole. There were no such uncorrected misstatements.
12. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
13. We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
14. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
15. All funds and activities are properly classified.
16. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
17. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
18. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
19. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
20. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
21. Special items and extraordinary items have been properly and fully disclosed.
22. Deposit and investment risks have been properly and fully disclosed.
23. All required supplementary information is measured and presented within the prescribed guidelines, except as disclosed to you.
24. We have disclosed to you the cash amounts held in escrow by legal counsel. The cash balances as of September 30, 2020 and 2019, are \$1,009,820 and \$1,231,006, respectively.

25. In order to provide oversight of the financial statement preparation services provided by you at an appropriate level, we have established effective review policies and procedures including the performance of the following functions:
  - a) Reconcile general ledger amounts to the draft financial statements utilizing grouping schedules to be provided by you.
  - b) Review all supporting documentation and explanations for journal entries you proposed and approve the entries.
  - c) Review the adequacy of financial statement disclosures by completing a disclosure checklist.
  - d) Review and approve schedules and calculations supporting amounts included in the notes to the financial statements.
  - e) Review and approve the cash flow worksheet used in preparing the statement of cash flows.
  - f) Apply analytic procedures to the draft financial statements.
  - g) Perform other procedures as considered necessary by us.
26. With respect to the preparation of financial statements performed by you, we have:
  - a) Made all management decisions and performed all management functions;
  - b) Assigned a competent individual (Robert Johnson, CPA) to oversee the services;
  - c) Evaluated the adequacy of the services performed;
  - d) Evaluated and accepted responsibility for the results of the service performed; and
  - e) Established and maintained internal controls, including monitoring ongoing activities.

#### **Information Provided**

27. We have provided you with:
  - a) Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements referred to above, such as records, documentation, meeting minutes, and other matters;
  - b) Additional information that you have requested from us for the purpose of the audit; and
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
28. All transactions have been recorded in the accounting records and are reflected in the financial statements.
29. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
30. We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
31. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a) Management;
  - b) Employees who have significant roles in internal control; or
  - c) Others where the fraud could have a material effect on the financial statements.
32. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
33. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

34. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
35. We have disclosed to you all communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
36. The Authority has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
37. We have disclosed to you all guarantees, whether written or oral, under which the Authority is contingently liable, if any.
38. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 ("GASB-62"), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
39. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
40. There are no:
  - a) Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b) Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - c) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
41. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
42. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
43. During the year ended September 30, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Authority as of June 29, 2021, management believes that a material impact on the Authority's financial position and results of future operations is reasonably possible.

### **Required Supplementary Information**

44. With respect to the required supplementary information (“RSI”) accompanying the financial statements:
- a) We acknowledge our responsibility for the presentation of the RSI in accordance with U.S. GAAP.
  - b) We believe the RSI, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
  - c) The methods of measurement or presentation have not changes from those used in the prior period.
  - d) We believe the significant assumptions or interpretations underlying the measurement or presentation of the RSI, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

### **Section 218.415, Florida Statutes, *Local Government Investment Policies***

45. We confirm, to the best of our knowledge and belief, the following representations made to you during your engagement:
- a) We affirm our assertion that the City has complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*.
  - b) All relevant matters are reflected in the evaluation of the City’s compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*.
  - c) All known matters contradicting the City’s compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* and any communication from regulatory agencies or others affecting that compliance have been disclosed to you, including communications received between the end of the period addressed in the written assertion and the date of the practitioners’ report.
  - d) We are responsible for complying with Section 218.415, Florida Statutes, *Local Government Investment Policies*.
  - e) We are responsible for selecting the criteria and have selected the following: Section 218.415, Florida Statutes, *Local Government Investment Policies*.
  - f) We have determined that such criteria are appropriate for our purposes.
  - g) Any known events subsequent to the period of compliance that would have a material effect on the City’s compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* have been disclosed to you.
  - h) We have provided you with all relevant information and access.
  - i) We have responded fully to all inquiries made to us by you during the examination.
  - j) We believe that significant assumptions used in making any material estimates are reasonable.
  - k) We have disclosed to you all deficiencies in internal control relevant to the engagement of which we are aware.
  - l) We have disclosed to you our knowledge of any actual, suspected, or alleged fraud affecting the City’s compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*.
  - m) We have disclosed to you our knowledge of any actual, suspected, or alleged noncompliance with laws or regulations affecting the City’s compliance.

- n) We understand that your examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and was designed for the purpose of expressing an opinion on the fairness of the presentation of the City's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, based on your examination, and that your procedures were limited to those that you considered necessary for that purpose.

Signed:



\_\_\_\_\_  
Erick Palacios, Board Chairman

Date:

7/28/2021