Orange County Housing Finance Authority

(A Component Unit of Orange County, Florida)

Independent Auditor's Reports and
Basic Financial Statements

For the Year Ended September 30, 2020

TNG THE NICHOLS GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Independent Auditor's Reports and Basic Financial Statements
For the Year Ended September 30, 2020

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of the Orange County Housing Finance Authority
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Orange County Housing Finance Authority (Authority), a component unit of Orange County, Florida 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

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.

Auditor's 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 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 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective position of the business-type activities, each major fund, and the aggregate remaining financial fund information of the Authority, as of September 30, 2020, and the respective changes in financial position, and cash flows thereof for the year 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 5-9 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 January 31, 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.

The Nichols Group

The Nichols Group, PA
Certified Public Accountants
Fleming Island, Florida

January 31, 2021

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board Members of the Orange County Housing Finance Authority
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Orange County Housing Finance Authority (Authority), a component unit of Orange County, Florida 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 January 31, 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) to determine 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. 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.

The Nichols Group

The Nichols Group, PA
Certified Public Accountants
Fleming Island, Florida

January 31, 2021

Management's Discussion and Analysis
(Unaudited)

This section of the Orange County Housing Finance Authority's (Authority) financial statements presents management's analysis of the Authority's financial performance during the fiscal year that ended on September 30, 2020. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

In the current year, the Authority issued: $21,500,000 Maximum Principal Amount Orange County Housing Finance Authority Multifamily Housing Revenue Bonds Series 2020A (Baptist Terrace); $42,400,000 Orange County Housing Finance Authority Multifamily Housing Revenue Bonds Series 2020B (Jernigan Gardens); and, $8,000,000 Series 2020A and $12,240,717 Series 2020B Orange County Housing Finance Authority Homeowner Revenue Bonds.

The following bonds were fully redeemed in the current year: $13,840,000 Orange County Housing Finance Authority Multifamily Housing Revenue Bonds Series 2005C (Alta Westgate Apartments), $6,275,000 Orange County Housing Finance Authority Multifamily Housing Revenue Bonds Series 2017C (Citrus Square Apartments) and $6,000,000 Orange County Housing Finance Authority Homeowner Mortgage Revenue Bonds (Multi-County Program) NIBP Series 2010A.

Overview of the Financial Statements

The financial statements consist of two parts: management's discussion and analysis (MD&A) and the basic financial statements. The basic financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Basic Financial Statements

The Authority utilizes enterprise funds for financial reporting purposes. These funds include the activities of the operating fund of the Authority (Operating Fund) and the single family and multifamily bond programs, which are administered by the Authority and are included as one fund as they essentially fulfill the same purpose (Bond Programs Fund). As the Authority only presents its financial information using enterprise funds, under Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments* (GASB 34), it is considered to be a "special purpose government engaged only in business-type activities." Accordingly, the Authority only presents fund financial statements as defined in GASB 34. Additionally, under GASB 34 the Operating Fund and the Bond Programs Fund are each considered major funds.

The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Position includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). The assets and liabilities are presented in a classified format, which distinguishes between current and long-term assets and liabilities. It also provides the basis for computing rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through its services provided, as well as its profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, non-capital financing and financing activities and provides answers to such questions as where did cash come from, what was cash used for and what was the change in the cash balance during the reporting period.

Financial Analysis

Our analysis of the financial statements of the Authority begins below. One of the most important questions asked about the Authority's finances is, "Is the Authority as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority's activities in a way that will help answer this question. These two 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 position

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

Table A-1
Condensed Statement of Net Position
(In thousands of dollars)

	Fiscal Year 2020	Fiscal Year 2019	Dollar Change	Percentage Change
Cash and investments	$ 128,222	$ 74,274	$ 53,948	72.6%
Loans receivable	484,241	473,902	10,339	2.2%
Fees and other receivables, net	7,255	9,854	(2,599)	-26.4%
Capital assets, net	271	286	(15)	-5.2%
Total assets	619,989	558,316	61,673	11.0%
Deferred outflow of resources	240	249	(9)	-3.6%
Current liabilities	80,119	57,767	22,352	38.7%
Long-term liabilities	477,808	440,091	37,717	8.6%
Total liabilities	557,927	497,858	60,069	12.1%
Deferred inflow of resources	214	268	(54)	-20.1%
Net position				
Net investment in capital assets	271	286	(15)	-5.2%
Restricted	7,318	7,489	(171)	-2.3%
Unrestricted	54,499	52,664	1,835	3.5%
Total net position	$ 62,088	$ 60,439	$ 1,649	2.7%

Total changes in assets and liabilities reflect changes due to bond issues and redemptions in fiscal year 2020. As shown in Table A-1 above, net position increased during 2020 mostly because of the increase in restricted net position due to the increase in net positions of the bond programs as shown in the following Table A-4.

Table A-2
Condensed Statement of Revenues, Expenses and Changes in Net Position
(In thousands of dollars)

	Fiscal Year 2020	Fiscal Year 2019	Dollar Change	Percentage Change
Loan interest and fee income	$ 20,389	$ 23,649	$ (3,260)	-13.8%
Investment Income, including changes in fair value of investments	7,633	10,331	(2,698)	-26.1%
Total operating revenues	28,022	33,980	(5,958)	-17.5%
General and administrative expenses	13,039	10,311	2,728	26.5%
Interest and other expenses	13,277	14,973	(1,696)	-11.3%
Total operating expenses	26,316	25,284	1,032	4.1%
Change in net position	1,706	8,696	(6,990)	-80.4%
Beginning net position, as previously reported	60,439	51,743	8,696	16.8%
Prior period adjustment	(57)	-	(57)	100.0%
Beginning net position, restated	60,382	51,743	8,639	16.7%
Ending net position	$ 62,088	$ 60,439	$ 1,649	2.7%

While the Statement of Net Position shows the change in net position, the Statement of Revenues, Expenses and Changes in Net Position provides answers as to the nature and source of these changes.

As can be seen in Table A-2 above, the net decrease in operating revenues resulted primarily from a decrease in changes in fair value of investments.

Individual Major Fund Analysis

Operating Fund

Table A-3
Condensed Statement of Revenues, Expenses and Changes in Net Position – Operating Fund
(In thousands of dollars)

	Fiscal Year 2020	Fiscal Year 2019	Dollar Change	Percentage Change
Investment Income, including changes in fair value of investments	$ 650	$ 1,301	$ (651)	-50.0%
Fee income and other revenue	2,348	2,276	72	3.2%
Total operating revenues	2,998	3,577	(579)	-16.2%
General and administrative expenses	2,074	1,819	255	14.0%
Pension	134	149	(15)	-10.1%
Total operating expenses	2,208	1,968	240	12.2%
Net Transfers	1,028	77	951	1235.1%
Change in net position	1,818	1,685	133	7.9%
Beginning net position	52,951	51,265	1,686	3.3%
Ending net position	$ 54,769	$ 52,951	$ 1,818	3.4%

During the current fiscal year, the Operating Fund Statement of Revenues, Expenses and Changes in Net Position reflects that net position increased by approximately $1,818 thousand as compared to an increase in fiscal year 2019 of approximately $1,685 thousand. The increase in the change in net position was primarily due to an increase of net transfers as a result of the Single Family 2020 bond issuance and interest transfers.

Table A-4
Condensed Statement of Revenues, Expenses and Changes in Net Position – Bond Programs Fund
(In thousands of dollars)

	Fiscal Year 2020	Fiscal Year 2019	Dollar Change	Percentage Change
Investment Income	$ 22,073	$ 25,662	$ (3,589)	-14.0%
Fee income and other revenue	2,951	4,742	(1,791)	-37.8%
Total operating revenues	25,024	30,404	(5,380)	-17.7%
General and administrative expenses	10,965	8,493	2,472	29.1%
Interest and other expenses	11,907	12,712	(805)	-6.3%
Debt issuance cost	1,237	2,112	(875)	-41.4%
Total operating expenses	24,109	23,317	792	3.4%
Net Transfers	(1,028)	(77)	(951)	1235.1%
Change in net position	(113)	7,011	(7,124)	
Beginning net position, as previously reported	7,489	511	6,978	1365.6%
Prior period adjustment	(57)	-	(57)	100.0%
Beginning net position	7,432	478	6,921	1447.9%
Ending net position	$ 7,319	$ 7,489	$ (170)	-2.3%

During the current fiscal year, the Bond Programs Fund net position decreased by $113 thousand, consisting of a decrease in multifamily net position of $593 thousand before a prior period adjustment of ($57) thousand and an increase in single family net position of $480 thousand.

Capital Assets and Long-Term Debt

Capital Assets

As of September 30, 2020, the Authority had approximately $271 thousand invested in a variety of capital assets, net of accumulated depreciation. As shown in Table A-5, this represents a net decrease (additions, deductions and depreciation) from the end of last year.

Table A-5
Capital Assets
(In thousands of dollars)

	Fiscal Year 2020	Fiscal Year 2019
Land	$ 112	$ 112
Building	412	412
Furniture and Fixtures	119	113
Total capital assets	643	637
Less: accumulated depreciation	(372)	(351)
Net Capital Assets	$ 271	$ 286

Long-Term Debt

As of September 30, 2020, the Authority had $477,808 thousand in outstanding long-term debt, net of the current portion of $1,090 thousand. This represents a net increase of $37,718 thousand from the prior fiscal year. A summary of long-term debt is included in the following Table A-6.

Table A-6
Long-Term Debt
(In thousands of dollars)

	Fiscal Year 2020	Fiscal Year 2019
Operating fund:	$ 797	$ 699
Bond programs funds:		
Multifamily	411,953	381,305
Single family	66,148	59,300
Total bond programs funds	478,101	440,605
Total debt outstanding	478,898	441,304
Current portion of long-term debt	1,090	1,214
Total long-term debt, noncurrent	$ 477,808	$ 440,090

For more detailed information regarding the Authority's capital assets and long-term debt, please refer to the notes to the financial statements.

Economic Factors and Next Year's Budget

The Authority's Board of Directors and management considered many factors when setting the fiscal year 2021 budget. These factors include the expected operating costs of the Authority, as well as projected issuance costs for single family projects, which in turn consider such factors as anticipated population growth of the participating counties and the economy of the region as a whole.

Requests for Information

This 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 Chief Financial Officer, 2211 East Hillcrest Street, Orlando, Florida 32803.

BASIC FINANCIAL STATEMENTS

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Statement of Net Position
September 30, 2020

	Operating Fund	Bond Programs Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 28,085,003	$ -	$ 28,085,003
Restricted cash and cash equivalents	-	13,170,608	13,170,608
Program fees receivable	356,450	-	356,450
Accrued loan interest	63,766	593,956	657,722
Accrued investment interest	-	378,137	378,137
Prepaid expenses	40,552	6,784	47,336
Total current assets	28,545,771	14,149,485	42,695,256
Noncurrent assets:			
Restricted cash and cash equivalents	-	16,191,856	16,191,856
Restricted investments	-	70,774,511	70,774,511
Internal balances	18,662,064	(18,662,064)	-
Mortgage backed securities	2,797,024	90,247,609	93,044,633
Loans receivable-net	-	391,196,545	391,196,545
Notes receivable - net	5,815,304	-	5,815,304
Capital assets-net	270,501	-	270,501
Total noncurrent assets	27,544,893	549,748,457	577,293,350
Total assets	56,090,664	563,897,942	619,988,606
Deferred Outflows of Resources			
Contributions	239,561	-	239,561
Liabilities			
Current liabilities:			
Accounts payable and other liabilities	550,157	13,418,885	13,969,042
Accrued interest payable	-	1,496,853	1,496,853
Third party loans	-	63,562,574	63,562,574
Notes payable, current portion	-	265,283	265,283
Bonds payable, current portion	-	825,000	825,000
Total Current Liabilities	550,157	79,568,595	80,118,752
Noncurrent Liabilities:			
Notes payable	-	38,374,477	38,374,477
Bonds payable - net	-	438,636,475	438,636,475
Net pension liability	797,238	-	797,238
Total Noncurrent Liabilities	797,238	477,010,952	477,808,190
Total Liabilities	1,347,395	556,579,547	557,926,942
Deferred Inflows of Resources			
Contributions	213,727	-	213,727
Net Position			
Net investment in capital assets	270,501	-	270,501
Restricted	-	7,318,395	7,318,395
Unrestricted	54,498,602	-	54,498,602
Total net position	$ 54,769,103	$ 7,318,395	$ 62,087,498

See accompanying notes.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended September 30, 2020

	Operating Fund	Bond Programs Fund	Total
Operating Revenues			
Interest on loans	$ 56,844	$ 15,033,356	$ 15,090,200
Investment income	459,115	1,227,211	1,686,326
Unrealized gains on investments	134,502	5,812,300	5,946,802
Fee income and other revenue	2,347,632	2,951,326	5,298,958
Total operating revenues	2,998,093	25,024,193	28,022,286
Operating Expenses			
Interest	-	11,906,527	11,906,527
Bond issuance cost	-	1,236,608	1,236,608
General and administrative	2,073,739	10,965,949	13,039,688
Pension	134,132	-	134,132
Total operating expenses	2,207,871	24,109,084	26,316,955
Operating Income	790,222	915,109	1,705,331
Transfers in	1,542,229	17,542,672	19,084,901
Transfers out	(514,001)	(18,570,900)	(19,084,901)
Total transfers	1,028,228	(1,028,228)	-
Changes in Net Position	1,818,450	(113,119)	1,705,331
Net Position, Beginning as previously stated	52,950,653	7,488,329	60,438,982
Prior Period Adjustment	-	(56,815)	(56,815)
Net Position, Beginning restated	52,950,653	7,431,514	60,382,167
Net Position, End of Year	$ 54,769,103	$ 7,318,395	$ 62,087,498

See accompanying notes.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Statement of Cash Flows
For the Year Ended September 30, 2020

	Operating Fund	Bond Programs Fund	Total
Cash Flows from Operating Activities			
Cash received from developers and homeowners	$ 4,563,467	$ 18,103,929	$ 22,667,396
Cash received (paid) for housing programs	147,075	(17,290,409)	(17,143,334)
Cash advances of loan principal	-	13,573,727	13,573,727
Receipts (payments) for internal balances	1,028,228	(1,028,228)	-
Cash payments for operating and administrative expenses	(2,148,942)	(6,215,077)	(8,364,019)
Net cash provided by operating activities	3,589,828	7,143,942	10,733,770
Cash Flows from Noncapital Financing Activities			
Proceeds from issuance of bonds payable	-	75,408,128	75,408,128
Principal repayments on bonds and note payable	-	(36,439,852)	(36,439,852)
Interest paid on bonds and note payable	-	(12,012,445)	(12,012,445)
Payments for bond issuance costs	-	(1,014,383)	(1,014,383)
Net cash provided by noncapital financing activities	-	25,941,448	25,941,448
Cash Flows from Investing Activities			
Proceeds from principal paydowns of MBS	12,309,748	32,828,465	45,138,213
Payments for the issuance of MBS	-	(36,116,371)	(36,116,371)
Purchase of investments	-	(113,739,317)	(113,739,317)
Sale of investments	-	83,371,799	83,371,799
Interest received	459,115	1,591,699	2,050,814
Net cash provided by (used in) investing activities	12,768,863	(32,063,725)	(19,294,862)
Net Change in Cash and Cash Equivalents	16,358,691	1,021,665	17,380,356
Cash and Cash Equivalents, Beginning of Year	11,726,312	28,340,799	40,067,111
Cash and Cash Equivalents, End of Year	$ 28,085,003	$ 29,362,464	$ 57,447,467
Reconciliation of Cash and Cash Equivalents			
Current cash and cash equivalents	$ 28,085,003	$ -	$ 28,085,003
Current cash and cash equivalents - for debt service	-	13,170,608	13,170,608
Cash and cash equivalents - restricted	-	16,191,856	16,191,856
Total cash and cash equivalents	$ 28,085,003	$ 29,362,464	$ 57,447,467
Reconciliation of Changes in Operating Income to Net Cash Provided by (Used In) Operating Activities			
Operating income	$ 790,222	$ 915,109	$ 1,705,331
Adjustments to reconcile changes in operating income to net cash provided by (used in) operating activities:			
Depreciation	21,192	-	21,192
Bond issuance cost		1,180,108	1,180,108
Interest expense	-	11,906,529	11,906,529
Investment interest income	(459,116)	(1,015,119)	(1,474,235)
Gain on sale of MBS	-	(268,907)	(268,907)
Unrealized gain on investments	(134,502)	(5,812,300)	(5,946,802)
Transfers	1,028,228	(1,028,228)	-
Change in operating assets and liabilities:			
Loans receivable	-	(17,290,409)	(17,290,409)
Accrued loan interest receivable	147,074	176,062	323,136
Program fees receivable	1,429	-	1,429
Notes receivable	2,157,563	-	2,157,563
Prepaid expenses	(5,468)	(738)	(6,206)
Third party loans	-	13,573,727	13,573,727
Accounts payable and other liabilities	(10,159)	4,808,108	4,797,949
Total adjustments	2,799,606	6,228,833	9,028,439
Net Cash Provided by Operating Activities	$ 3,589,828	$ 7,143,942	$ 10,733,770

See accompanying notes.

1. Reporting entity

The Orange County Housing Finance Authority (Authority), a public body corporate and politic with no taxing power, was established on October 13, 1978, by the Board of County Commissioners of Orange County, Florida (Board) in accordance with the Florida Housing Finance Authority Law, Part IV of Chapter 159, *Florida Statutes*. The Authority was created to finance dwelling accommodations for low, moderate and middle-income persons. The Authority is authorized to borrow money through the issuance of bonds, notes or other obligations to finance multifamily housing developments and single family residential housing.

Financial oversight and accountability to the citizens of Orange County is provided by the Board. The Board appoints the Authority members, who serve a term of four years. The Board has the power to remove a member of the Authority from office without cause.

The Authority is a component unit of Orange County, Florida (County) for financial reporting purposes; the Authority has no component units that meet the criteria for inclusion in the Authority's basic financial statements.

Bonds and other obligations issued by the Authority are conduit debt and are payable, both as to principal and interest, solely from the assets of the various programs which are pledged under the resolutions authorizing the particular issues. These issues do not constitute an obligation, either general or special, of the Authority, the state of Florida or of any local government therein. Neither the full-faith, credit and revenues, nor the taxing power of Orange County, the state of Florida or any local government therein, shall be pledged to the payment of the principal or interest on the obligations.

Pursuant to interlocal agreements with the surrounding Florida counties of Seminole, Osceola and Lake, the Authority is also authorized to issue bonds to fund projects located within those counties and to provide mortgage loans under its programs to the residents of those counties.

2. Summary of significant accounting policies

A. Measurement focus, basis of accounting and financial statement presentation

The accounting records of the Authority are organized on the basis of funds as prescribed by accounting principles generally accepted in the United States of America (GAAP) applicable to governments as established by the Governmental Accounting Standards Board (GASB); and when applicable to governmental entities, statements of the Financial Accounting Standards Board (FASB). The operations of each fund are 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 Authority accounts for its activities through the use of enterprise funds. Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of a change in financial position is necessary or useful for sound financial administration (business-type activities). Because the Authority has only business-type activities, it is considered to be a special purpose government for financial reporting purposes. As such, the Authority presents its fund activity separately with a total column to denote the financial position, changes in financial position and cash flows at the reporting unit level (the Authority as a whole). All activities are considered to be operating in nature.

The accompanying financial statements present the financial position, changes in financial position and cash flows of the Operating Fund, which reports all of the funds controlled by the Authority, and the Bond Programs Fund, which accounts for all of the multifamily and single family bond programs of the Authority. The Operating Fund and Bond Programs Fund are each considered major funds.

The financial statements are prepared on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

B. Cash and cash equivalents

The Authority considers all highly liquid financial instruments with an original maturity of 90 days or less at the time of purchase to be cash equivalents.

C. Investments

Investments in direct obligations of the United States of America or any agency thereof, federal instrumentalities and mutual funds are carried at fair value as determined in an active market. Investments in certificates of deposit are carried at amortized cost.

D. Loans receivable

Loans receivable are carried at original cost, including unamortized discount, less principal collections. Servicing of loans is provided by various approved and qualified private lending institutions and servicing organizations on behalf of the Authority. Servicing costs on single family issues are recorded as a reduction of interest income.

E. Mortgage backed securities (MBS)

The Authority has entered into various investment agreements with the bond trustees (financial institutions) (Bond Trustees) who are custodians of Government National Mortgage Association (GNMA) and Federal National Mortgage Association (FNMA) securities which are collateral on the majority of single-family bonds. These agreements require the Bond Trustees to hold these securities to maturity, thus requiring the GNMA and FNMA securities to be redeemed at their face value. GASB Statement No. 72, *Fair Value Measurement and Application*, requires these MBS to be recorded at fair value, which will reflect current period fluctuations in their value.

F. Allowance for losses on loans and notes receivable

No allowance has been established in the Bond Programs Fund for loans receivable based upon management's evaluation of the loan portfolio and the ratings of the insurance companies, financial institutions and developers, which guarantee payment of loan principal and interest. As described in Note 7, the Authority makes loans through its Operating Fund for down payment assistance and to various agencies. These loans have very favorable interest rates and repayment terms. An allowance has been established based upon management's evaluation of the balances therein. These loans are included as notes receivable in the accompanying financial statements.

G. Internal balances

Down payment assistance and bond issuance costs paid for by the Operating Fund on behalf of the single family bond program are presented as internal balances on the Statement of Net Position. Bond Program Fund reimbursements of these balances to the Operating Fund are anticipated to result from residual proceeds upon retirement of bonds payable.

H. Interfund transfers

Transfers of resources between funds when the custody of the mortgage-backed securities changes due to the retirement of bond issues.

I. Bond discounts and premiums

Discounts and premiums on the sale of bonds are capitalized and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Costs relating to issuing bonds that were paid for through the use of other funding sources are expensed when incurred.

J. Capital assets

Capital assets are stated at historical cost and are depreciated based on various useful lives ranging from 3 to 39 years using the straight-line method. The Authority has established a capitalization threshold for capital assets of $1,000.

K. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The Authority only has one item that qualifies for reporting in this category: It is the contributions made to the pension plan in the 2020 fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority only has one item that qualifies for reporting in this category: It is the deferrals of pension expense that result from the implementation of GASB Statement No. 68 (GASB 68)*, Accounting and Financial Reporting for Pensions* – an amendment of GASB 27.

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the Florida Retirement System (FRS or the System) and additions to/deductions from FRS' plan net position has been determined on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

M. Fee income

In connection with the administration of its bond programs, the Authority receives various fees from developers for each of the bond issues administered. These fees are based on either a percentage of bonds, mortgage loans or GNMA certificates outstanding or a certain dollar amount, as provided for in the bond issue documents and recognized as income in the year for which they are assessed. The portion of these fees assessed for the Authority's operating costs is recognized in the Operating Fund. The portion of these fees assessed for bond and trustee fees is recognized in the Bond Programs Fund. In addition to these fees, the Authority receives the residual, if any, of single family project funds upon full payment of the bonds.

N. Interest Income

Interest on mortgage loans and investments is recognized as income when earned. Interest on mortgage loans is recorded net of service fees.

O. General and administrative expenses

The Bond Programs Fund recognizes various trustee costs, bond issue costs, and project operating expenses, as defined in trust indentures, as general and administrative expenses.

Operating Fund general and administrative expenses represent the Authority's operating costs.

P. Income taxes

The Authority is exempt from income taxes; therefore, no provision for tax liability has been included in the Authority’s financial statements.

The Authority’s Forms 8038 filed in connection with its bond issues, and payroll tax returns, are subject to examination by the IRS, generally for three years after they were filed.

Q. Use of restricted resources

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

R. Net position

Net investment in capital assets includes the Authority's capital assets, net of the accumulated depreciation on those assets.

Restricted net position is used to indicate a segregation of a portion of net position equal to the assets restricted for meeting various covenants as defined in the bond indentures or other laws or regulations. Unrestricted net position relates to that portion of net position not restricted for the purposes defined above.

S. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Recently issued accounting standards

GASB Statement No. 87, Leases. Objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The requirements of this Statement will be effective for the year ended September 30, 2021.

GASB Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement will be effective for the year ended September 30, 2022.

4. Description of programs

The various bond programs of the Authority, since its establishment, are as follows:

	Total Bonds Issued
Certificate of deposit	$ 20,040,000
Multifamily	1,351,414,292
Single family	2,425,447,240
	$ 3,796,901,532

A. Certificate of deposit program

The certificate of deposit program issued Multifamily Housing Revenue Bonds 1983 Series A, B, C and D. All bonds issued under this program were retired in prior years.

B. Multifamily programs

The multifamily programs have issued the following:

- Collateralized Loan-to-Lender Revenue Bonds, 1982 Series A
- First Mortgage Housing Revenue Bonds, 1982 Series A
- Housing Development Revenue Bonds, 1983 Series A, C; and 1984 Series B
- Multifamily Guaranteed Mortgage Revenue Bonds, 1983 Series A and B
- Multifamily Guaranteed Mortgage Revenue Refunding Bonds, 1988 Series B; and 1989 Series A
- Multifamily Housing Revenue Bonds, 1983 Series C; 1985 Series B, D, E, G, H, J, K, L, M,N; 1988 Series A, C; 1994 Series A; 1995 Series A; 1997 Series A, B, D; 1998 Series A, C,D, G, K; 1999 Series A, B, E, G, I, L; 2000 Series A, E, F; 2001 Series A, C, F, G; 2002 Series A, C, E, G; 2003 Series A; 2004 Series A; 2005 Series A, B, C, D; 2006 Series A, B;2007 Series A, B, C, D, E, F, G, H, I, J, K, L, M, N, 0, P; and 2008 Series A
- Multifamily Housing Revenue Refunding Bonds, 1990 Series B;1991 Series A, B; 1992 Series A; 1993 Series A, B; 1994 Series B; 1995 Series B; 1997 Series C, E, F; 1999 Series K; and 2001 Series E
- Multifamily Mortgage Revenue Bonds, 1983 Series A; 1984 Series A; 1985 Series A and 2009 Series A

- Multifamily Mortgage Revenue Refunding Bonds, 1989 Series B; and 1995
- Multifamily Rental Housing Revenue Bonds, 1990 Series A
- Subordinated Multifamily Housing Revenue Bonds, 1994 Series B; 1998 Series I, M; 1999 Series D; and 2000 Series C, D
- Taxable Multifamily Housing Revenue Bonds, 1998 Series B, E, 1999 Series F, H, J, M; 2000 Series G; 2001 Series B, D, H; 2002 Series B, D, F; 2002 Series H; and 2003 Series B
- Variable Rate Demand Multifamily Housing Revenue Bonds, 1985 Series F and I
- Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, 1998 Series F
- Variable Rate Housing Revenue Refunding Bonds, 1998 Series J
- Variable Rate Multifamily Housing Revenue Bonds, 2000 Series H
- Taxable Multifamily Mortgage Revenue Bonds, NIBP Series 2009A
- Multifamily Mortgage Revenue Bonds, NIBP 2009 Series A-1 and A-2
- Multifamily Mortgage Revenue Bonds, NIBP 2011 Series A-1 and A-2
- Multifamily Mortgage Revenue Bonds, NIBP 2009 Series A-3
- Multifamily Mortgage Revenue Bonds, NIBP 2009 Series A-4, 2011 Series B
- Multifamily Mortgage Revenue Bonds, NIBP 2009 Series A-5, 2011 Series C
- Multifamily Housing Revenue Bonds, 2013 Series A and B
- Multifamily Housing Revenue Bonds, 2014 Series A, B and C
- Multifamily Housing Revenue Bonds, 2015 Series A
- Multifamily Housing Revenue Note, 2016 Series A
- Taxable Multifamily Housing Revenue Note, 2016 Series B
- Multifamily Housing Revenue Bonds, 2016 Series C
- Multifamily Housing Revenue Bonds 2016 Series D
- Multifamily Housing Revenue Bonds 2017 Series A
- Multifamily Housing Revenue Bonds 2017 Series B
- Multifamily Housing Revenue Bonds 2017 Series C
- Multifamily Housing Revenue Bonds 2018 Series A-1
- Multifamily Housing Revenue Bonds 2019 Series A
- Multifamily Housing Revenue Note, 2019 Series A-1
- Multifamily Housing Revenue Note, 2019 Series A-1
- Multifamily Housing Revenue Bonds, 2020 Series A
- Multifamily Housing Revenue Bonds, 2020 Series B

Proceeds from the sale of the bonds were used to finance the construction or acquisition of multifamily housing developments located in Orange and Seminole Counties, Florida which are intended for occupancy in part by persons of low, moderate, and middle-income.

C. Single family programs

The single family programs have issued the following:

- Single Family Bond Issues 1980; 1982 Series A; 1983 Series A; 1984 Series A; and 1985 Series A

The proceeds of the bonds were used primarily to purchase mortgage loans from certain qualified lending institutions on single-family residences for persons of low to moderate income in Orange County, Florida.

The Program also issued the following:

- Single Family Housing Revenue Bonds 1987 Series A, B, C, D, E, F; 1988 Series A; 1989 Series A, B, C, D, E; 1990 Series A; 1991 Series A; 1992 Series A, B; 1994 Series A; Series 1994; Series 1995; 1996 Series A, B; 1997 Series A, B; 2001 Series A-1 (AMT), A-2 (ST AMT), A-3 (Taxable); and 2002 Series A (AMT)
- Homeowner Revenue Bonds 1998 Series A-1 (AMT), A-2 (Taxable); 1999 Series A-1 (AMT), A-2 (Non-AMT), A-3 (Short-term AMT), A-4 (Taxable); 2000 Series A-1 (AMT), A-2 (Short-term AMT), A-3 (Taxable), B-1 (AMT), B-2 (Short-term AMT), B-3 (Taxable); 2001 Series A-1 (AMT), A-2 (Short-term AMT), A-3 (Taxable); 2002 Series A (AMT); 2002 Series B (AMT); 2003 Series A (AMT); and 2004 Series A (AMT)
- Homeowner Revenue Bonds 2001 Series C-1 (AMT), Series C-2 (Variable Rate AMT), Series C-3 (Non-AMT), and Series C-4 (Taxable)
- Homeowner Revenue Bonds 2006 Series A-1 (AMT), and Series A-2 (AMT)
- Homeowner Revenue Bonds 2007 Series A (AMT), and Series B (AMT)
- Homeowner Mortgage Revenue Bonds, NIBP 2009 Series (Multi-County Program)
- Homeowner Mortgage Revenue Bonds, NIBP 2009 Series B (Non-AMT) and 2011 A (Non-AMT) (Multi-County Program)
- Homeowner Mortgage Revenue Bonds, NIBP 2009 Series C (Non-AMT) and 2011 B (Non-AMT) (Multi-County Program)
- Homeowner Revenue Bonds 2013 Series A Taxable (Multi-County Program) Refunding Bonds
- Homeowner Revenue Bonds 2014 Series A (Non-AMT)(Multi-County Program)
- Homeowner Revenue Bonds 2017 Series A (Non-AMT)(Multi-County Program)
- Homeowner Revenue Bonds 2018 Series A (Non-AMT)(Multi-County Program)
- Homeowner Revenue Bonds 2020 Series A (Non-AMT)(Multi-County Program)
- Homeowner Revenue Bonds 2020 Series B (Federally Taxable Pass-Through)(Multi-County Program)

The proceeds of the bonds are used primarily to purchase GNMA certificates to the extent mortgage loans are originated by participating lenders. The mortgage loans are intended for single family residences for persons of low to moderate income in Orange, Seminole, Lake and Osceola Counties, Florida.

D. Operating fund

The Authority's operating fund collects program fees from the various bond issues. Expenses are those incurred in operating the Authority, which are determined by budgetary restrictions imposed by Board of Directors. The operating fund also makes second and third mortgage loans used for down payment assistance as well as loans to various agencies that assist in providing housing for handicapped, homeless and low-income people in the area served by the Authority. These loans are typically non-interest bearing or have interest rates substantially below the prevailing market rate and include other favorable terms of repayment.

5. Cash, cash equivalents and investments

At September 30, 2020, the Authority had the following cash, cash equivalents and investments:

		Fair Value	Credit Quality Rating (S&P/Moodys)	Maturity (Years)
Operating fund				
Bank deposits	$	10,520,244	NA	NA
U.S. Bank Money Market Account		2,564,759	NA	NA
FHLBank Deposit Account for Non-Pledged Accounts				
Certificate of Deposit		15,000,000	NA	< 30 days
Total operating fund cash and cash equivalents	$	28,085,003		
Bond Programs fund				
Single Family				
US Bank Money Market 5-CT	$	6,126,234	Aa1/P-1(1)	< 90 days
First American Government Obligations		12,243,699	Aaa-mf	< 90 days
Total single family cash equivalents and investments		18,369,933		
Multifamily				
Bank deposits		1,214,688	NA	NA
Money Market Funds		9,384,757	AAAm/Aaa-mf	< 90 days
US Bank Money Market 5-CT		320,338	Aa1/P-1(1)	< 90 days
U.S. Treasury State & Local Govt Ser Time Deposit 12/1/2018		5,413	NA	< 90 days
BNY Mellon Cash Reserve		67,335	A-1+(2)/P-1(2)	< 90 days
Multifamily cash and cash equivalents		10,992,531		
US Treasury Notes		68,833,369	NA/Aaa	< 2 years
Berkshire Hathaway Guaranteed Investment Contracts		1,941,142	A-1+(1)/Aa2	5-10
Total multifamily investments		70,774,511		
Total mulifamily cash, cash equivalents and investments		81,767,042		
Total bond programs fund cash, cash equivalents and investments	$	100,136,975		

Bank deposits are secured as provided by Chapter 280, *Florida Statutes*. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2020, all of the Authority's bank deposits were in qualified public depositories.

Certain of the Authority's investments are subject to credit risk, interest rate risk and concentration of credit risk considerations, as defined by GASB 40. Cash equivalents are not exposed to credit risk, as defined by GASB 40.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. GASB 40 requires the disclosure of investments in any one issuer that represent 5% or more of total investments. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from this requirement. As of September 30, 2019, the Authority's Operating Fund had no investments which are subject to concentration of credit risk disclosure requirements.

Fair value measurements

The Authority's financial instruments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access at the measurement date.

Level 2 – Inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3 – Inputs that are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

The categorization of financial instruments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. The mortgage backed securities and Guaranteed Investment Contracts classified as Level 2 of the fair value hierarchy are valued using prices quoted in active markets for similar securities.

	Fair Value	Level 1	Level 2	Level 3
Operating Fund				
Mortgage backed securities	$ 2,797,024	$ -	$ 2,797,024	$ -
Total Operating Fund	2,797,024	-	2,797,024	-
Bond Programs Funds				
Guaranteed Investment Contracts	1,941,142	-	1,941,142	-
Mortgage backed securities	90,247,609	-	90,247,609	-
US Treasury Notes	68,833,369	-	68,833,369	-
Total Bond Programs Funds	161,022,120	-	161,022,120	-
Total Financial Instruments by Fair Value Level	$ 163,819,144	$ -	$ 163,819,144	$ -

Operating Fund Investment Risk Mitigation Policies

The Operating Fund investment policy limits maturities of direct obligations of the United States of America, any agency thereof, and federal instrumentalities to two years from the date of purchase, limits investments in money market mutual funds to those with weighted average maturities of 90 days or less, and limits maturities of certificates of deposit to one year.

The Authority manages credit risk in its Operating Fund by limiting investments authorized to direct obligations of the United States of America or any agency thereof, federal instrumentalities, interest-bearing time or demand deposits with any qualified depository institution and money market mutual funds registered under the Federal Investment Company Act of 1940 and with credit quality ratings equivalent to or better than Standard & Poor's rating of AAAm or the equivalent by another rating agency.

In the Operating Fund, the Authority manages concentration of credit risk by diversification of its investment portfolio to minimize the impact of potential losses from one type of security or individual issuer. In addition, the Authority invests in investments issued by or explicitly guaranteed by the U.S. Government.

Bond Program Funds

Credit quality ratings, weighted average maturities and concentration of credit risk permitted for multifamily and single family investments are based on policies provided in respective trust indentures, which vary among projects. Such investments are made at the direction of trustees based on the underlying trust indenture policies.

6. Mortgage backed securities

At September 30, 2020, mortgage backed securities consisted of investments in the following securities with maturity dates ranging from years 2023 to 2050.

	Operating Fund	Single Family	Multifamily	Total
Federal Home Loan Mortgage Corporation	$ 646,593	$ 358,542	$ -	$ 1,005,135
Federal National Mortgage Association	538,037	1,472,347	21,265,349	23,275,733
Government National Mortgage Association	1,612,394	67,151,371	-	68,763,765
	$ 2,797,024	$ 68,982,260	$ 21,265,349	$ 93,044,633

In connection with the retirement of certain single family mortgage revenue bond programs, the Authority has transferred residuals consisting in part of mortgage backed securities from the Bonds Program Funds to the Operating Fund.

Operating fund mortgage backed securities include $2,014,780 held as collateral by Federal Home Loan Bank.

The mortgage backed securities are valued at fair value and bear interest at various rates ranging from 2.75% to 7.125%.

7. Loans receivable

Loans receivable at September 30, 2020 were as follows

Single family mortgage loans	$ 1,110,530
Multifamily mortgage loans	390,086,015
Total	$ 391,196,545

Single family mortgage loans receivable relate to down payment assistance loans issued during 2006 and 2007 in amounts up to $35,000 per household and down payment assistance loans issued during 2007 through 2011 in amounts up to $10,000 per household. These loans are secured by second mortgages and, in the opinion of management do not have a material exposure to loss.

Multifamily mortgage loans are collateralized by a first mortgage deed and, with the exception of 13 privately placed issues, either an insurance policy or an irrevocable letter of credit. The related insurance company or financial institution must have a rating greater than or equal to the rating on the bonds. Due to the nature of these notes and the repayment terms, all are considered to be long-term for financial reporting purposes. Multifamily mortgage loans receivable are pledged as collateral for the payment of principal and interest on the related indebtedness.

8. Notes receivable

Notes receivable of the Operating Fund are summarized as follows at September 30, 2020:

$78,929 fifth mortgage loan, secured by property, $254 due monthly	$	58,708
Down payment assistance notes receivable, secured by property, issued from 1991 through 1997		343,767
Down payment assistance notes receivable, secured by property, issued from 2006 through 2011		1,878,283
Down payment assistance notes receivable, secured by property, issued since 2014		3,388,925
Other notes receivable, secured by property, primarily due 2030		1,757,578
		7,427,261
Less allowance for losses on notes receivable		(1,611,957)
	$	5,815,304

Due to the nature of these notes and the repayment terms, substantially all are considered to be long term receivables for financial reporting purposes.

Down payment assistance ("DPA") notes issued from 1991 through 1997 were in amounts up to $2,500 per household and are due after the first mortgage has been paid in full. An allowance has been established for approximately $343,767 of these DPA notes. DPA notes issued from 2006 through 2011 were in amounts up to $10,000 per household with varying repayment terms allowing for repayments on some notes to be deferred up to 5 years from the date of issuance. An allowance has been established for approximately $1,268,190 of these DPA notes, which equates to the amount of loans for which foreclosure notices have been received. It is reasonably possible that a change in this estimated allowance may occur in the near term; however, an estimate of possible additional valuation allowance for these notes, if any, cannot be made. All of the DPA notes are secured by second or third mortgages.

Other notes receivable consist of five notes, two which require only principal payments and three which require principal and interest payments. All five notes were made to entities associated with multifamily housing projects, are secured by property and are expected to be fully collectable.

9. Interfund transfers

The Authority reports interfund transfers between the Operating Fund and Bond Programs Fund. In 2020, the net activity of $1,028,228 interfund transfers were between the Single Family Custody Account in the Operating Fund and the Single Family 2020A, 2017A, 2014A and 2010A Bond Funds.

10. Capital assets

Capital assets of the Operating Fund are summarized as follows at September 30, 2020:

	Balance 10/1/2019	Additions	Deletions	Balance 9/30/2020
Land	$ 112,000	$ -	$ -	$ 112,000
Building	411,671	-	-	411,671
Furniture and fixtures	113,455	5,500	-	118,955
Less accumulated depreciation	(350,933)	(21,192)	-	(372,125)
Total capital assets, net	$ 286,193	$ (15,692)	$ -	$ 270,501

11. Accounts payable and other liabilities

	Operating Fund	Bond Programs Fund	Total
Reserve payable	$ -	$ 2,365,684	$ 2,365,684
Program fee payable	-	346,000	346,000
Trustee fee payable	-	49,292	49,292
Tax credit equity payable	-	10,652,323	10,652,323
Arbitrage rebate payable	-	5,316	5,316
Third party loans	-	63,562,574	63,562,574
Unearned revenue	251,270	-	251,270
Line of credit proceeds	-	270	270
Replacement reserve payable	31,202	-	31,202
Payroll and related liabilities	261,156	-	261,156
Accounts payable	6,529	-	6,529
	$ 550,157	$ 76,981,459	$ 77,531,616

Reserve payables represent amounts due to developers and other third parties for tax credits and other costs associated with bond programs.

12. Collateralized Bank Loan

In 2017, the Authority entered into a $20 million limited line of credit agreement with the Federal Home Loan Bank (Bank) to provide financing for the support of the Single-Family Program. All advances under this agreement are fully collateralized with pledged mortgage backed securities.

At September 30, 2020, the amount pledged for advances was $7,407,390 made up of FNMA and GNMA securities with rates ranging from 3.50% to 5.49%, maturity dates ranging from 2037 to 2046 and pledge dates ranging from 2016 to 2017. The market value of these securities held in safekeeping by the bank at September 30, 2020 was $2,014,780.

The ending balance of the line of credit at September 30, 2020 is $0.

13. Bonds and notes payable

Bonds are issued in the form of serial, term and capital appreciation bonds and are both taxable and tax-exempt depending on the particular terms of the issue. The annual percentage rate, maturity, principal balance outstanding and other information relating to bond and notes indebtedness at September 30, 2020 were as follows:

Series	Type		Annual Percentage Rate	Principal Maturity	Principal Balance Outstanding	Current Portion
Multifamily Bonds:						
1995 A	Term		7.000	2026	2,605,000	$ -
1997 E	Term	*	0.149	2025	16,720,000	-
1998 C	Term		7.000	2028	1,185,000	-
2001 A	Term	*	0.167	2034	8,920,000	-
2001 F	Term		7.250	2032	4,310,000	-
2002 A	Term	*	0.155	2035	11,750,000	-
2002 B	Term	*	0.000	2035	(235,000)	-
2004 A	Term	*	0.158	2037	11,600,000	-
2005 A	Term	*	0.158	2038	7,585,000	-
2005 B	Term	*	0.158	2038	5,730,000	-
2005 C	Term	*	0.000	2038	-	-
2005 D	Term	*	1.650	2039	7,712,000	-
2007 A	Term	*	0.162	2040	7,650,000	-
2007 B	Term	*	0.158	2042	4,185,000	-
2007 C	Term	*	0.689	2042	5,235,000	-
2007 D	Term	*	0.689	2042	1,550,000	-
2007 E	Term	*	0.689	2042	2,800,000	-
2007 F	Term	*	0.689	2042	1,450,000	-
2007 G	Term	*	0.162	2042	7,570,000	-
2007 H	Term	*	0.162	2042	6,990,000	-
2007 I	Term	*	0.786	2043	4,060,000	-
2007 J	Term	*	0.786	2043	1,240,000	-
2007 K	Term	*	0.786	2043	1,990,000	-
2007 L	Term	*	0.786	2043	3,970,000	-
2007 M	Term	*	0.786	2043	4,500,000	-
2007 N	Term	*	1.444	2043	4,090,000	-
2007 O	Term	*	1.444	2043	2,000,000	-
2007 P	Term	*	0.643	2043	6,250,000	-
2009 A-1 NIBP	Term		3.880	2040	6,150,000	-
2009 A-2 NIBP	Term		2.480	2044	5,200,000	-
2009 A-3 NIBP	Term		2.320	2044	7,200,000	-
2009 A-4 NIBP	Term		2.320	2044	9,340,000	-
2009 A-5 NIBP	Term		2.320	2044	6,360,000	-
2013 A	Term		5.650	2030	14,801,868	-
2013 B	Term		2.470	2048	20,700,000	-
2014 A	Term		3.500	2049	2,060,000	-
2014 B	Term		5.250	2042	14,680,000	-
2014 C	Term		5.250	2054	8,000,000	-
2016 D SENIOR	Term		4.500	2051	8,990,000	-
2016 D SUBORDINATE	Term	*	8.852	2051	7,500,000	-
2017 A SENIOR	Term		5.000	2052	15,495,000	-
2017 A SUBORDINATE	Term	*	8.852	2052	6,500,000	-
2018 A-1	Term		4.830	2035	17,292,276	- 1)
2019 A	Term		1.900	2022	26,000,000	-
2020 A	Term		4.150	2052	11,197,705	-
2020 B	Term		0.350	2023	42,400,000	-
Total Multifamily Bonds Payable:					373,278,849	-
Multifamily Notes:						
2016A Housing Revenue Note			4.320	2033	13,029,760	186,671
2019 A-1 Multifamily Housing Revenue Note			4.330	2035	25,610,000	78,612
Total Multifamily Notes Payable:					38,639,760	265,283
Total Multifamily Bonds and Notes Payable:					$ 411,918,609	$ 265,283

Bonds and notes payable, continued

Series	Type	Annual Percentage Rate	Principal Maturity	Principal Balance Outstanding	Current Portion	
Single Family Bonds:						
2011A NIBP	Serial	3.625-4.000	2020 - 2022	$ 100,000	$ 45,000	2)
	Term	4.500-4.875	2026 - 2031	890,000	-	
2009C NIBP	Term	2.320	2041	3,620,000	-	
2011B NIBP	Serial	3.300-3.600	2020-2022	320,000	160,000	3)
	Term	4.375-4.450	2031	1,765,000	-	
2013A	Term	2.625	2041	1,775,000	-	
2014A	Serial	2.050-3.000	2020-2024	1,105,000	255,000	4)
	Term	3.550-4.000	2030-2040	5,610,000	-	
2017A	Serial	1.250-2.750	2020-2028	1,605,000	190,000	5)
2017A	Term	3.150-4.000	2032-2040	10,945,000	-	
2018A	Serial	2.150-3.600	2020-2030	1,980,000	175,000	6)
2018A	Term	3.850-4.250	2033-2049	13,950,000	-	
2020 A & 2020 B	Serial	.0.600-2.100	2022-2050	1,350,000	-	7)
2020 A & 2020 B	Term	1.650-3.000	2035-2050	18,890,717	-	
Total Single Family Bonds Payable:				63,905,717	825,000	
Total Bonds and Notes Payable:				$ 475,824,326	$ 1,090,283	

1) Net of unamortized premium of	$ (34,330)	2018 A-1 Lake Weston Lake Apartments
2) Net of unamortized premium of	(143,086)	NIBP 2011A
3) Net of unamortized premium of	(113,001)	NIBP 2011B
4) Net of unamortized premium of	(572,857)	SERIES 2014A
5) Net of unamortized premium of	(669,060)	SERIES 2017A
6) Net of unamortized premium of	(473,757)	SERIES 2018A
7) Net of unamortized premium of	(270,818)	SERIES 2020A
	$ (2,276,909)	

*This bond issue has a variable interest rate. The rate shown is the rate in effect at year end. Other interest rates are fixed and have not changed from the prior year.

Scheduled principal and interest payments commencing October 1, 2020, are as follows (variable rate debt interest payments are based on rates applicable at September 30, 2020):

	Bonds Payable		Notes Payable		
Fiscal Year Ending September 30,	Principal	Interest	Principal	Interest	Total
2021	$ 825,000	$ 10,412,477	$ 265,283	$ 1,667,848	$ 13,170,608
2022	26,955,000	10,154,504	517,976	1,650,140	39,277,620
2023	765,000	9,876,059	540,835	1,627,281	12,809,175
2024	43,205,000	9,715,874	564,702	1,603,414	55,088,990
2025	17,235,000	9,687,618	589,623	1,578,494	29,090,735
2026-2030	21,771,868	46,559,801	3,362,162	7,478,421	79,172,252
2031-2035	35,387,276	39,969,611	32,799,179	5,454,502	113,610,568
2036-2040	57,082,000	34,638,229	-	-	91,720,229
2041-2045	124,755,000	25,399,856	-	-	150,154,856
2046-2050	36,175,000	18,791,849	-	-	54,966,849
2051-2055	73,028,422	6,240,147	-	-	79,268,569
Total Bonds and Notes Outstanding	437,184,566	221,446,025	38,639,760	21,060,100	718,330,451
Unamortized Premium, net	2,276,909	-	-	-	2,276,909
Total	$ 439,461,475	$ 221,446,025	$ 38,639,760	$ 21,060,100	$ 720,607,360

Assets of the various programs are pledged for payment of principal and interest on the applicable bonds. Each issue is collateralized by a separate collateral package. In addition, certain assets are further restricted for payment of interest and principal in the event that the related debt service and other available funds are insufficient.

Provisions of the bond resolutions provide for various methods of redemption. Bonds are to be redeemed at par, primarily from prepayments of mortgage loans securing the issues, from unexpended bond proceeds and excess program revenues. Bonds are generally redeemable at the option of the Authority at premiums ranging up to 6%. Certain term bonds require mandatory sinking fund payments for their redemption.

The interest rate on the Authority's variable rate multifamily bonds is computed weekly by a remarketing agent at a rate that will price the bonds at a market value of approximately 100% of the principal balance outstanding, plus accrued interest.

14. Changes in long-term debt

Long-term debt is summarized as follows at September 30, 2020:

	Balance October 1, 2019	Additions	Reductions	Balance September 30, 2020	Current Portion
Operating Fund					
Net pension liability	$ 699,483	$ 379,297	$ (281,542)	$ 797,238	$ -
Bond Programs Fund					
Bonds payable - Multifamily	342,486,534	53,597,705	(22,771,060)	373,313,179	-
Bonds payable - Single Family	59,299,681	20,240,717	(13,392,102)	66,148,296	825,000
Total bonds payable	401,786,215	73,838,422	(36,163,162)	439,461,475	825,000
Notes payable	38,818,552	-	(178,792)	38,639,760	265,283
Total Bond Programs Fund	440,604,767	73,838,422	(36,341,954)	478,101,235	1,090,283
Total long-term debt	$ 441,304,250	$ 74,217,719	$ (36,623,496)	$ 478,898,473	$ 1,090,283

15. Net position

Restricted net position

Pursuant to various trust indentures and loan agreements, upon satisfaction of all bondholder indebtedness and payment of all authorized expenses, any remaining funds are disbursed to the Authority or the respective developer as described in each trust indenture or loan agreement.

The following is a summary of restricted assets, liabilities, and net position as of September 30, 2020:

Total restricted cash & cash equivalents	$ 29,362,464
Total restricted investments	70,774,511
Total restricted current assets	978,877
Total restricted noncurrent assets	481,444,154
Total restricted assets	582,560,006
Total current liabilities payable from restricted assets	79,568,595
Total noncurrent liabilities payable from restricted assets	495,673,016
Total restricted liabilities payable from restricted assets	575,241,611
Total restricted net position	$ 7,318,395

Unrestricted net position

Unrestricted net position represents all resources not included in the other components of net position. At September 30, 2020, $20,000 of the Authority's Operating Fund unrestricted net position has been designated as a general contingency account.

16. Retirement plans

Florida Retirement System:

General Information - All of the Authority's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Pension Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

<u>Contributions</u> - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular—6.75% and 8.28%; Special Risk Administrative Support—36.87% and 34.12%; Special Risk—23.76% and 22.73%; Senior Management Service—23.69% and 25.57%; Elected Officers'—47.10% and 47.46%; and DROP participants—12.94% and 15.32%. These employer contribution rates include 1.66% HIS Plan subsidy for the entire fiscal year.

The Authority's contributions to the Pension Plan totaled $36,833 for the fiscal year ended September 30, 2020.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u> – At September 30, 2020, the Authority reported a

liability of $480,477 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Authority's proportionate share of the net pension liability was based on the Authority's 2019-20 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2020, the Authority's proportionate share was 0.001108586%, which was a decrease of 0.000067299% from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the Authority recognized Pension Plan pension expense of $50,489. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,389	$ -
Change of assumptions	86,982	-
Net difference between projected and actual earnings on Pension Plan investments	28,608	
Changes in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	14,754	164,934
Authority Pension Plan contributions subsequent to the measurement date	12,645	-
Total	$ 161,378	$ 164,934

The deferred inflows of resources related to the Pension Plan, totaling $12,645 resulting from Authority contributions to the Pension Plan subsequent to the measurement date, will be recognized as a reduction to the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2021	$ 34,240
2022	(18,941)
2023	5,504
2024	(1,812)
2025	(20,770)
Thereafter	(14,422)
Total	$ (16,201)

Actuarial Assumptions - The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Discount rate and long-term expected rate of return	6.80 percent

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study completed in 2019 for the period July 1, 2013 through June 30, 2018.

The mortality assumption was based on the PUB-2010 base table, projected generationally with Scale MP-2018 details.

The long-term expected rate of return assumption of 6.80 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.30 percent, consistent with the capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2020 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.80 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.80 percent reported investment return assumption differs from the 7.00 percent investment return assumption chosen by the 2020 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate (Property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100.0%			
Assumed Inflation - Mean			2.4%	1.7%

(1) As outlined in the Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com

Discount Rate - The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return. The 6.80 percent rate of return assumption used in the June 30, 2020 calculations was determined by the consulting actuary, Milliman, to be reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27). For additional information regarding the depletion date projection, refer to the 2020 GASB 67 Supplement to the FRS Actuarial Valuation available from Valuations on Publications page of the Division of Retirement's website at www.frs.myflorida.com.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 5.80%, or one percentage point higher, 7.80%, than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Authority's proportionate share of the net pension liability	$ 767,242	$ 480,477	$ 240,971

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan- At September 30, 2020, the Authority did not report payables for any outstanding amount of contributions required for the year.

HIS Plan

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS Plan payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS Plan payment of $30 and a maximum HIS Plan payment of $150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS Plan contribution for the fiscal year was 1.66%. The Authority contributed 100% of its statutorily required contributions for the current and preceding four years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Authority's contributions to the HIS Plan totaled $14,950 for the fiscal year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the Authority reported a liability of $316,761 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was also determined by an actuarial valuation as of June 30, 2020 The Authority's proportionate share of the net pension liability was based on the Authority's 2019-20 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2020, the Authority's proportionate share was 0.002594312%, which was a decrease of 0.000037964% from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the Authority recognized HIS Plan pension expense of $29,921. In addition, the Authority reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 12,957	$ 244
Change of assumptions	34,061	18,418
Net difference between projected and actual earnings on HIS Plan investments	253	-
Changes in proportion and differences between Authority HIS Plan contributions and proportionate share of contributions	27,176	30,131
Authority HIS Plan contributions subsequent to the measurement date	3,736	-
Total	$ 78,183	$ 48,793

The deferred outflows of resources related to the HIS Plan, totaling $3,736 resulting from Authority contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	**Amount**
2021	$ 9,704
2022	8,091
2023	4,442
2024	(100)
2025	1,998
Thereafter	1,519
Total	$ 25,654

Actuarial Assumptions - The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Municipal bond rate	2.21 percent

Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions used in the June 30, 2020 valuation were based on the most recent experience study for the FRS Pension Plan completed in 2019 for the period July 1, 2013 through June 30, 2018.

The mortality assumption was based on the PUB-2010 base table, projected generationally with Scale MP-2018 details.

Discount Rate - The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 2.21% as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 1.21%, or one percentage point higher, 3.21%, than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Authority's proportionate share of the net pension liability	$ 366,162	$ 316,761	$ 276,327

HIS Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

Allocations to the investment member's accounts during the 2019-20 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and County Elected Officers class 11.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The Authority's Investment Plan pension expense totaled $53,722 for the fiscal year September 30, 2020.

17. Deferred compensation plan

The Authority participates in a deferred compensation plan available under Internal Revenue Code Section 457(b) (Plan). Plan assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The Authority is required to contribute on behalf of each participant 5% of earnings for the plan year. Participants may select additional individual levels of contributions (not to exceed maximum contribution limits established by the Internal Revenue Service.) Plan assets are managed by Voya Financial. The Authority has no management control over the assets of the Plan. Accordingly, the assets of the Plan are not included in these financial statements. For the year ended September 30, 2020, the Authority contributed $25,307 to the Plan.

18. Commitments and contingencies

In 1995, as part of the Single Family Housing Revenue Bond Series 1994 (1994 Bonds), the trustee for the 1994 Bonds received $675,000 in exchange for an agreement whereby the trustee for the 1994 Bonds will remit an amount equal to 6.0689655% of each interest payment received by the trustee on GNMA certificates to a third party. During the year ended September 30, 2020, the Authority remitted $635 under such agreement.

In 1995, as part of the Single Family Housing Revenue Bond Series 1995 (1995 Bonds), the trustee for the 1995 Bonds received $261,000 in exchange for an agreement whereby the trustee for the 1995 Bonds will remit an amount equal to 3.67647% of each interest payment received by the trustee on GNMA certificates to a third party. During the year ended September 30, 2020, the Authority remitted $353 under such agreement.

19. Other bondholder information

The Authority has currently financed more than 50 separately collateralized multifamily housing projects, certain of which have required debt service payments to be made by the provider of credit enhancement due to developer payment defaults. No debt service payment default has ever occurred on any publicly offered Authority indebtedness. Developer payment defaults may result in:

- Prepayments by the provider of credit enhancement guaranteeing the obligations of the defaulting developer with respect to such bonds in whole or in part.
- The refunding and early redemption of bonds prior to their stated maturities at their original principal amount plus accrued interest.

The guarantor or provider of other credit enhancement may also be a partner or hold other ownership interests in the developer. Under such circumstances, it may be advantageous for the provider of credit enhancement to prepay the program loan upon developer payment default and eliminate the project from participation in the housing programs of the Authority.

The public policy goal of the Authority is to provide affordable housing to persons of low, moderate and middle income. The Authority realizes that in certain instances, the financial difficulties of the developers may result, in part, from the deed restrictions and other covenants required by the Authority in furtherance of this public policy and which are required by federal income tax law. The Authority intends to make every effort to preserve the participation of troubled projects in providing affordable housing to persons of low, moderate and middle income without impairing the security for bonds issued by the Authority.

20. Risk management

The Authority is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Authority purchases commercial insurance. No settlements in excess of claims have been incurred in the past three fiscal years. The Authority's health insurance is covered by Orange County, Florida's Self-Insurance Fund, a risk management pool to which risk is transferred in exchange for annual premium payment.

21. Prior period adjustment

The Multifamily fund's net position was restated by ($56,815) for an accrual that was incorrectly calculated and reported at fiscal year ended September 30, 2019. The Authority made an error in their calculation of mortgage interest income in the Multifamily fund's 2018 Series A-1 (Lake Weston Point Apartments) at fiscal year ended September 30, 2019. The Authority identified the error early during the year ended September 30, 2020 and corrected the prior year's net position as follows:

	Multifamily Fund
Beginning net position, as previously reported	$ 4,265,436
Mortgage interest income receivable	(56,815)
Beginning net position, restated	$ 4,208,621

22. Subsequent events

During the period October 1, 2020 through January 15, 2021, pursuant to various trust indentures, bonds in the aggregate amount of $2,830,581 were called for partial redemptions. The bonds were called at a redemption price equal to par value plus accrued interest.

Bond Calls:

Date Called	Redemption	Redemption Amount	Program	Series
10/01/20	Partial	$ 195,000	Multifamily Housing Revenue Bonds	1995 Series A (H.A.N.D.S., Inc. Project)
10/01/20	Partial	55,000	Multifamily Housing Revenue Bonds	1998 Series C (Alhambra Trace Apartments Project)
10/01/20	Partial	125,000	Multifamily Housing Revenue Bonds	2001 Series F (H.A.N.D.S., Inc. Project)
10/01/20	Partial	15,000	Multifamily Housing Revenue Bonds	2005 Series D (Lake Harris Cove Apartments)
10/01/20	Partial	5,000	Multifamily Housing Revenue Bonds	2007 Series I (Rolling Acres - Phase I)
10/01/20	Partial	5,000	Multifamily Housing Revenue Bonds	2007 Series K (Fountains at Millenia Phase II)
10/01/20	Partial	5,000	Multifamily Housing Revenue Bonds	2007 Series L (Fountains at Millenia Phase III)
10/01/20	Partial	5,000	Multifamily Housing Revenue Bonds	2007 Series M (Millenia - Phase IV)
10/01/20	Partial	100,000	Multifamily Housing Revenue Bonds	2007 Series P (Southwinds Cove PH)
10/01/20	Partial	3,000	Multifamily Housing Revenue Bonds	2014 Series A (Dean Woods Place)
10/01/20	Partial	15,250	Multifamily Housing Revenue Note	2016 Series AB (Buchanan Bay Townhomes)
10/01/20	Partial	17,349	Multifamily Housing Revenue Bonds	2018 Series A-1 (Lake Weston Pointe Apartments)
10/10/20	Partial	16,305	Multifamily Housing Revenue Bonds	2013 Series AB (Nassau Bay Apartments)
10/15/20	Partial	140,000	Multifamily Housing Revenue Bonds	1997 Series E (Post Fountains at Lee Vista)
10/15/20	Partial	100,000	Multifamily Housing Revenue Bonds	2004 Series A (Lee Vista Club Apartments)
10/15/20	Partial	1,000	Multifamily Housing Revenue Bonds	2016 Series D (Westwood Park Apartments)
11/01/20	Partial	14,000	Multifamily Housing Revenue Bonds	2005 Series D (Lake Harris Cove Apartments)
11/01/20	Partial	105,000	Multifamily Housing Revenue Bonds	2007 Series C (Oviedo Town Centre - Phase I)
11/01/20	Partial	5,000	Multifamily Housing Revenue Bonds	2007 Series I (Rolling Acres - Phase I)
11/01/20	Partial	5,000	Multifamily Housing Revenue Bonds	2007 Series J (Rolling Acres - Phase II)
11/01/20	Partial	5,000	Multifamily Housing Revenue Bonds	2007 Series K (Fountains at Millenia Phase II)
11/01/20	Partial	10,000	Multifamily Housing Revenue Bonds	2007 Series L (Fountains at Millenia Phase III)
11/01/20	Partial	5,000	Multifamily Housing Revenue Bonds	2007 Series M (Millenia - Phase IV)
11/01/20	Partial	60,000	Mulitfamily Housing Revenue Bonds	2009 Series A-3 (Oak Harbor Apartments)
11/01/20	Partial	15,305	Multifamily Housing Revenue Note	2016 Series AB (Buchanan Bay Townhomes)
11/01/20	Partial	1,000	Multifamily Housing Revenue Bonds	2016 Series D (Westwood Park Apartments)
11/01/20	Partial	2,000	Multifamily Housing Revenue Bonds	2017 Series A (Vista Pines Apartments)
11/01/20	Partial	3,000	Multifamily Housing Revenue Bonds	2014 Series A (Dean Woods Place)

Continued on next page:

Bond Calls, continued:

Date Called	Redemption	Redemption Amount	Program	Series
11/01/20	Partial	15,101.00	Multifamily Housing Revenue Bonds	2018 Series A-1 (Lake Weston Pointe Apartments
11/10/20	Partial	16,382.00	Multifamily Housing Revenue Bonds	2013 Series AB - (Nassau Bay Apartments)
11/15/20	Partial	100,000.00	Multifamily Housing Revenue Bonds	2001 Series A (Charleston Club Apartments)
11/15/20	Partial	130,000.00	Multifamily Housing Revenue Bonds	2002 Series B (Millenia Boulevard Apartments)
11/15/20	Partial	100,000.00	Multifamily Housing Revenue Bonds	2005 Series B (Lakeside Pointe Apartments)
11/15/20	Partial	100,000.00	Multifamily Housing Revenue Bonds	2007 Series N (Spring Lake Cove - Phase I)
12/01/20	Partial	15,000.00	Multifamily Housing Revenue Bonds	2005 Series D (Lake Harris Cove Apartments)
12/01/20	Partial	5,000.00	Multifamily Housing Revenue Bonds	2007 Series I (Rolling Acres - Phase I)
12/01/20	Partial	5,000.00	Multifamily Housing Revenue Bonds	2007 Series L (Fountains at Millenia Phase III)
12/01/20	Partial	5,000.00	Multifamily Housing Revenue Bonds	2007 Series M (Millenia - Phase IV)
12/01/20	Partial	50,000.00	Multifamily Housing Revenue Bonds	2009 Series A-5 (NIBP-Seville Place)
12/01/20	Partial	3,000.00	Multifamily Housing Revenue Bonds	2014 Series A (Dean Woods Place)
12/01/20	Partial	15,360.00	Multifamily Housing Revenue Note	2016 Series AB (Buchanan Bay Townhomes)
12/01/20	Partial	1,000.00	Multifamily Housing Revenue Bonds	2016 Series D (Westwood Park Apartments)
12/01/20	Partial	2,000.00	Multifamily Housing Revenue Bonds	2017 Series A (Vista Pines Apartments)
12/01/20	Partial	17,480.00	Multifamily Housing Revenue Bonds	2018 Series A-1 (Lake Weston Pointe Apartments)
12/10/20	Partial	16,459.00	Multifamily Housing Revenue Bonds	2013 Series AB - (Nassau Bay Apartments)
01/01/21	Partial	10,000.00	Multifamily Housing Revenue Bonds	2007 Series I (Rolling Acres - Phase I)
01/01/21	Partial	20,000.00	Multifamily Housing Revenue Bonds	2007 Series M (Millenia - Phase IV)
01/01/21	Partial	15,416.00	Multifamily Housing Revenue Note	2016 Series AB (Buchanan Bay Townhomes)
01/01/21	Partial	15,237.00	Multifamily Housing Revenue Bonds	2018 Series A-1 (Lake Weston Pointe Apartments)
01/04/21	Partial	100,000.00	Multifamily Housing Revenue Bonds	2009 Series A-4 (NIBP - River Ridge)
01/04/21	Partial	60,000.00	Multifamily Housing Revenue Bonds	2009 Series A-1 (Crestwood Apartments)
01/04/21	Partial	50,000.00	Multifamily Housing Revenue Bonds	2009 Series A-2 & 2011 Series A (Lake Sherwood)
01/10/21	Partial	16,536.00	Multifamily Housing Revenue Bonds	2013 Series AB - (Nassau Bay Apartments)
01/15/21	Partial	135,000.00	Multifamily Housing Revenue Bonds	1997 Series E (Post Fountains at Lee Vista Project)
01/15/21	Partial	100,000.00	Multifamily Housing Revenue Bonds	2004 Series A (Lee Vista Club Apartments)
01/15/21	Partial	100,000.00	Multifamily Housing Revenue Bonds	2005 Series A (The Cove at Lady Lake Apartments)
01/15/21	Partial	15,000.00	Multifamily Housing Revenue Bonds	2005 Series D (Lake Harris Cove Apartments)
01/15/21	Partial	4,000.00	Multifamily Housing Revenue Bonds	2014 Series A (Dean Woods Place)
01/15/21	Partial	2,000.00	Multifamily Housing Revenue Bonds	2016 Series D (Westwood Park Apartments)
01/15/21	Partial	1,000.00	Multifamily Housing Revenue Bonds	2017 Series (Vista Pines Apartments)
Total Multifamily		2,274,180		
11/01/20	Partial	225,000	Homeowner Revenue Bonds	Series 2020 B (Federally Taxable) (Multi County Program)
12/01/20	Partial	134,256	Homeowner Revenue Bonds	Series 2020 B (Federally Taxable) (Multi County Program)
01/01/21	Partial	197,145	Homeowner Revenue Bonds	Series 2020 B (Federally Taxable) (Multi County Program)
Total Single Family		556,401		
Total Redemptions		$ 2,830,581		

Management has evaluated subsequent events through January 31, 2021, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Schedule of Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan
Last Ten Fiscal Years*

	2020	2019	2018	2017**	2016	2015	2014	2013	2012	2011
Authority's proportion of the net pension liability (asset)	0.001108586%	0.001175885%	0.002178499%	0.002049555%	0.002133429%	0.002358959%	0.002017176%	PRIOR INFORMATION NOT AVAILABLE		
Authority's proportionate share of the net pension liability (asset)	$ 480,477	$ 404,958	$ 656,175	$ 606,453	$ 538,693	$ 304,691	$ 123,077			
Authority's covered payroll	$ 915,222	$ 890,764	$ 982,896	$ 916,210	$ 800,090	$ 796,811	$ 731,037			
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	52.50%	45.46%	66.76%	66.19%	67.33%	38.24%	99.00%			
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%			

*The amounts presented for each fiscal year were determined as of June 30.
** NPL has been increased by $208 due to implementation of GASB 75.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Schedule of Contributions
Florida Retirement System Pension Plan
Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ 36,833	$ 36,461	$ 62,085	$ 53,355	$ 52,027	$ 57,513	$ 44,185	PRIOR INFORMATION NOT AVAILABLE		
Contributions in relation to the contractually required contribution	$ (36,833)	$ (36,461)	$ (62,085)	$ (53,355)	$ (52,027)	$ (57,513)	$ (44,185)			
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
Authority's covered payroll	$ 915,222	$ 890,764	$ 982,896	$ 916,210	$ 800,090	$ 796,811	$ 731,037			
Contributions as a percentage of covered payroll	4.02%	4.09%	6.32%	5.82%	6.50%	7.22%	6.04%			

*The amounts presented for each fiscal year were determined as of June 30.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Schedule of Proportionate Share of the Net Pension Liability
Florida Retirement System Health Insurance Subsidy
Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Authority's proportion of the net pension liability (asset)	0.002594312%	0.002632276%	0.002980015%	0.002600868%	0.002614177%	0.002560091%	0.002360065%	PRIOR INFORMATION NOT AVAILABLE		
Authority's proportionate share of the net pension liability (asset)	$ 316,761	$ 294,525	$ 315,408	$ 278,097	$ 304,671	$ 261,089	$ 220,672			
Authority's covered payroll	$ 915,222	$ 890,764	$ 982,896	$ 916,210	$ 800,090	$ 796,811	$ 731,037			
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	34.61%	33.06%	32.09%	30.35%	38.08%	32.77%	33.00%			
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%			

*The amounts presented for each fiscal year were determined as of June 30.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Schedule of Contributions
Florida Retirement System Health Insurance Subsidy
Last Ten Fiscal Years*

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ 14,950	$ 14,617	$ 16,161	$ 13,765	$ 13,399	$ 9,786	$ 8,085	PRIOR INFORMATION NOT AVAILABLE		
Contributions in relation to the contractually required contribution	$ (14,950)	$ (14,617)	$ (16,161)	$ (13,765)	$ (13,399)	$ (9,786)	$ (8,085)			
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
Authority's covered payroll	$ 915,222	$ 890,764	$ 982,896	$ 916,210	$ 800,090	$ 796,811	$ 731,037			
Contributions as a percentage of covered payroll	1.63%	1.64%	1.64%	1.50%	1.67%	1.23%	1.11%			

*The amounts presented for each fiscal year were determined as of June 30.

COMBINING BOND PROGRAMS FUND STATEMENTS

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Combining Statement of Net Position
Bond Programs Fund
September 30, 2020

	Multifamily Fund	Single Family Fund	Total
Assets			
Current assets:			
Restricted cash and cash equivalents	$ 10,511,761	$ 2,658,847	$ 13,170,608
Accrued loan interest	593,956	-	593,956
Accrued investment interest	127,805	250,332	378,137
Prepaid expenses	-	6,784	6,784
Total current assets	11,233,522	2,915,963	14,149,485
Noncurrent assets:			
Restricted cash and cash equivalents	480,770	15,711,086	16,191,856
Restricted Investments	70,774,511	-	70,774,511
Mortgage backed securities	21,265,349	68,982,260	90,247,609
Loans receivable-net	390,086,015	1,110,530	391,196,545
Total noncurrent assets	482,606,645	85,803,876	568,410,521
Total assets	493,840,167	88,719,839	582,560,006
Liabilities			
Current liabilities:			
Accounts payable and other liabilities	13,379,338	39,547	13,418,885
Accrued interest payable	1,329,643	167,210	1,496,853
Third party loans	63,562,574	-	63,562,574
Note payable, current portion	265,283	-	265,283
Bonds payable, current portion	-	825,000	825,000
Total Current Liabilities	78,536,838	1,031,757	79,568,595
Noncurrent Liabilities:			
Due to other funds	-	18,662,064	18,662,064
Notes payable	38,374,477	-	38,374,477
Bonds payable-net	373,313,179	65,323,296	438,636,475
Total Noncurrent Liabilities	411,687,656	83,985,360	495,673,016
Total Liabilities	490,224,494	85,017,117	575,241,611
Net Position			
Restricted	3,615,673	3,702,722	7,318,395
Total net position	$ 3,615,673	$ 3,702,722	$ 7,318,395

See accompanying notes.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Combining Statement of Revenues, Expenses and Changes in Net Position
Bond Programs Fund
For the Year Ended September 30, 2020

	Multifamily Fund	Single Family Fund	Total
Operating Revenues			
Investment income	$ 865,103	$ 362,108	$ 1,227,211
Unrealized gains on investments	2,290,598	3,521,702	5,812,300
Interest on loans	15,033,356	-	15,033,356
Fee income and other revenue	2,950,338	988	2,951,326
Total operating revenues	21,139,395	3,884,798	25,024,193
Operating Expenses			
Interest	9,938,022	1,968,505	11,906,527
Bond issuance cost	946,355	290,253	1,236,608
General and administrative	10,847,966	117,983	10,965,949
Total program expenses	21,732,343	2,376,741	24,109,084
Operating Income	(592,948)	1,508,057	915,109
Transfers in	-	17,542,672	17,542,672
Transfers out	-	(18,570,900)	(18,570,900)
Total Transfers	-	(1,028,228)	(1,028,228)
Changes in Net Position	(592,948)	479,829	(113,119)
Net Position, Beginning as previously stated	4,265,436	3,222,893	7,488,329
Prior Period Adjustment	(56,815)	-	(56,815)
Net Position, Beginning restated	4,208,621	3,222,893	7,431,514
Net Position, End of Year	$ 3,615,673	$ 3,702,722	$ 7,318,395

See accompanying notes.

Orange County Housing Finance Authority
(A Component Unit of Orange County, Florida)
Combining Statement of Cash Flows
Bond Programs Fund
For the Year Ended September 30, 2020

		Multifamily Fund		Single Family Fund		Total
Cash Flows from Operating Activities						
Cash received from developers and homeowners	$	18,102,941	$	988	$	18,103,929
Cash paid for housing programs		(17,242,955)		(47,454)		(17,290,409)
Cash advances of loan principal		13,573,727		-		13,573,727
Payments for internal balances		-		(1,028,228)		(1,028,228)
Cash payments for other general and administrative expenses		(6,120,521)		(94,556)		(6,215,077)
Net cash provided by (used in) operating activities		8,313,192		(1,169,250)		7,143,942
Cash Flows from Noncapital Financing Activities						
Proceeds from issuance of bonds payable		54,896,593		20,511,535		75,408,128
Principal repayments on bonds and note payable		(22,949,852)		(13,490,000)		(36,439,852)
Interest paid on bonds and note payable		(9,864,898)		(2,147,547)		(12,012,445)
Payments for bond issuance costs		(889,855)		(124,528)		(1,014,383)
Net cash provided by noncapital financing activities		21,191,988		4,749,460		25,941,448
Cash Flows from Investing Activities						
Proceeds from principal paydowns of MBS		189,257		32,639,208		32,828,465
Payments for the issuance of MBS		-		(36,116,371)		(36,116,371)
Purchase of investments		(73,814,835)		(39,924,482)		(113,739,317)
Sale of investments		40,158,605		43,213,194		83,371,799
Interest		1,448,680		143,019		1,591,699
Net cash used in investing activities		(32,018,293)		(45,432)		(32,063,725)
Net Change in Cash and Cash Equivalents		(2,513,113)		3,534,778		1,021,665
Cash and Cash Equivalents, Beginning of Year		13,505,644		14,835,155		28,340,799
Cash and Cash Equivalents, End of Year	$	10,992,531	$	18,369,933	$	29,362,464
Reconciliation of Cash and Cash Equivalents						
Current cash and cash equivalents - for debt service		10,511,761		2,658,847		13,170,608
Cash and cash equivalents - restricted		480,770		15,711,086		16,191,856
Cash and Cash Equivalents, End of Year	$	10,992,531	$	18,369,933	$	29,362,464
Reconciliation of Changes in Operating Income to Net Cash Provided by Operating Activities						
Operating income (loss)	$	(592,948)	$	1,508,057	$	915,109
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Interest expense		9,938,024		1,968,505		11,906,529
Investment interest income		(921,918)		(93,201)		(1,015,119)
Gain on sale of MBS		-		(268,907)		(268,907)
Bond issuance cost		889,855		290,253		1,180,108
Unrealized gain on investments		(2,290,598)		(3,521,702)		(5,812,300)
Transfers		-		(1,028,228)		(1,028,228)
Change in operating assets and liaabilities:						
Loans receivable		(17,242,955)		(47,454)		(17,290,409)
Accrued loan interest receivable		176,062				176,062
Prepaid expenses		-		(738)		(738)
Third party loans		13,573,727		-		13,573,727
Accounts payable and other liabilities		4,783,943		24,165		4,808,108
Total adjustments		8,906,140		(2,677,307)		6,228,833
Net cash provided by (used in) operating activities	$	8,313,192	$	(1,169,250)	$	7,143,942

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board Members of the Orange County Housing Finance Authority, Orlando, Florida.

Report on the Financial Statements

We have audited the financial statements of the Orange County Housing Finance Authority (Authority), a component unit of Orange County, Florida (County), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated January 31, 2021.

Auditor's 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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and 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 January 31, 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. There were no findings in the preceding annual 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. The Authority has no component units. This information 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 that we apply appropriate procedures and report 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 identification of the specific condition(s) met. In connection with our audit we determined that the Authority did not meet 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 by 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 the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Board Members of the Authority, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

The Nichols Group

The Nichols Group, PA
Certified Public Accountants
Fleming Island, Florida

January 31, 2021

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Board Members of the Orange County Housing Finance Authority
Orlando, Florida

We have examined the Orange County Housing Finance Authority's (Authority), compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2020, as required by Section 10.556(10)(a), *Rules of the Auditor General.* 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 and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide legal determination of the Authority's compliance with specified requirements.

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

This report is intended solely for the information and use of the Florida Auditor General, Orange County, Board Members and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

The Nichols Group

The Nichols Group, PA
Certified Public Accountants
Fleming Island, Florida

January 31, 2021