

BREVARD COUNTY HOUSING FINANCE AUTHORITY

**(A Component Unit of Brevard County, Florida)
MELBOURNE, FLORIDA**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

BREVARD COUNTY HOUSING FINANCE AUTHORITY

MELBOURNE, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Brevard County Housing Finance Authority
Melbourne, Florida

Opinion

We have audited the accompanying financial statements of Brevard County Housing Finance Authority (the "Authority"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of September 30, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

Board of Directors
Brevard County Housing Finance Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Saltmarsh".

Pensacola, Florida
April 22, 2026

**BREVARD COUNTY HOUSING FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025**

This section of the Brevard County Housing Finance Authority's ("Authority") basic financial statements presents management's discussion and analysis of the Authority's financial performance as of and for the year ended September 30, 2025. Please read it in conjunction with the financial statements which follow this section.

The Authority was created as a public body corporate and politic in accordance with the Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes, as amended, and Ordinance No. 79-09 enacted by the Board of County Commissioners of Brevard County, Florida on March 15, 1979, as amended, (the "Act"). The Authority is a component unit of Brevard County, Florida ("County"). The Authority has no component units.

The Authority is authorized, in furtherance of the public purposes described in the Act, to alleviate the shortage of affordable residential housing facilities and to provide capital for investment in such facilities for low-, moderate-, and middle-income families by issuing its revenue bonds and notes. The Authority issues bonds for single-family programs which provide funds to eligible borrowers to finance the purchase of qualifying single-family residences. The Authority also issues bonds and notes for the development of qualifying multi-family housing projects.

The bonds and notes issued by the Authority do not and shall never constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith or loan of credit of the Authority or of the County. Accordingly, such obligations are not included within the Authority's basic financial statements except for the Single Family Mortgage Revenue Bonds, Series 1985, which are required to be recorded as a liability in accordance with generally accepted accounting principles, even though legally they are not a debt of the Authority.

Financial Highlights

The Authority's mission is to alleviate the shortage of affordable residential housing facilities for low-, moderate-, and middle-income families in Brevard County, Florida. In pursuit of its mission, the Authority borrows money through the issuance of bonds and notes to finance single-family residential housing and multi-family housing developments. The Authority also provides loans and grants for the acquisition, construction, rehabilitation, and repair of single-family and multi-family housing. The loans are usually repaid with the proceeds from the sale of the residential housing facilities or other funding sources.

At times, the Authority finds it advantageous to retire an existing bond issue (i.e., through redemption and/or defeasance). Retirements of single-family bond issues often generate sizable cash residuals for the Authority. The residuals may substantially impact the Authority's revenues in a single fiscal year and cause significant variation from year to year.

Oftentimes, a cash contribution is needed from the Authority to issue single-family bonds. Such contributions may range from tens of thousands to several hundred thousand dollars. At times, the Authority may find it desirable to forgive loans or make grants to accomplish its public purpose. The contributions to bond issuance, loan forgiveness, and grants may substantially impact the Authority's expenses in a single fiscal year and cause significant variation from year to year.

Because of the uncertainty of economic conditions, the Authority engages in programs to assist in providing affordable housing to residents of Brevard County, Florida, if the programs are consistent with the rules and laws of the State of Florida.

The Authority's net position increased by approximately \$438 thousand or 5 percent in fiscal year 2025, increased by approximately \$446 thousand or 5 percent in fiscal year 2024, and increased by approximately \$292 thousand or 3 percent in fiscal year 2023.

**BREVARD COUNTY HOUSING FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025**

Financial Highlights (Continued)

As compared with fiscal year 2024, in fiscal year 2025 the Authority's revenues increased from \$602 thousand to \$603 thousand, an increase of \$1 thousand or less than 1 percent. The net increase was primarily attributable to an increase in authority fees of approximately \$155 thousand, an increase in TBA Program income of approximately \$53 thousand, and a decrease in non-operating revenues of approximately \$192 thousand. Expenses increased from \$155 thousand to \$164 thousand, an increase of \$9 thousand or 6 percent.

As compared with fiscal year 2023, in fiscal year 2024 the Authority's revenues increased from \$462 thousand to \$601 thousand, an increase of \$139 thousand or 30 percent. The net increase was primarily attributable to an increase in investment interest income of approximately \$137 thousand, a decrease in authority fees of approximately \$47 thousand, an increase in TBA Program income of approximately \$26 thousand, a decrease in application and inducement fees of approximately \$5 thousand, decrease in other income of approximately \$14 thousand, an increase in recovery of loan loss of \$16 thousand, and an increase in fair value of investments of approximately \$26 thousand. Expenses decreased from \$170 thousand to \$155 thousand, a decrease of \$15 thousand or 9 percent. The net decrease was primarily attributable to a decrease in the provision for loan losses of approximately \$25 thousand, decrease in change in fair value of investments of \$2 thousand, increase in general operating and administrative of approximately \$4 thousand and an increase in legal and accounting fees of approximately \$8 thousand.

On September 14, 2012, the Authority entered an interlocal agreement with the Housing Finance Authority of Hillsborough County, Florida ("Hillsborough HFA"). Pursuant to the interlocal agreement, the Hillsborough HFA is authorized to operate its 2012 MBS Origination Program (aka, the TBA Program or Continuous Funding Program) within Brevard County, Florida. The Authority's intent is to provide financing for homes to persons whose family annual income does not exceed certain limits and who might not otherwise be able to purchase a home. The Authority agreed to fund a revolving pool of moneys of up to \$1,250,000 to finance mortgages to be used by homebuyers in Brevard County.

With existing private activity bond allocation, the Authority agreed to secure mortgage credit certificate authority and take such steps and enter into such agreements necessary to enable loans made under the 2012 MBS Origination Program in Brevard County to receive such credits in lieu of tax-exempt bond financing ("Mortgage Credit Certificate Program"). The Authority also agreed to provide up to \$250,000 (subsequently increased to \$2,695,169) for a down payment and closing cost assistance program, which will be linked to the above mentioned 2012 MBS Origination Program, to be used by buyers of homes in Brevard County.

The down payment and closing cost assistance was structured to provide non-amortizing second mortgage loans limited to \$10,000 for each borrower. The amount of down payment and closing cost assistance was reduced to \$7,500 effective October 1, 2018, and then increased to \$15,000 on June 22, 2022. During fiscal year 2025 and 2024, the number of mortgage loans originated in Brevard County totaled forty-six and fifteen, respectively. During fiscal year 2025 and 2024, the number of mortgage loans originated in Brevard County, securitized as TBA Program mortgage-backed securities ("MBS"), and sold by the Hillsborough HFA totaled thirty-seven and seventeen, respectively. The Authority and the Hillsborough HFA have agreed to share the profits and losses associated with the sale by the Hillsborough HFA of the mortgage-backed securities, which include Brevard County loans. During fiscal year 2025 and 2024, the income (i.e., MBS sales profits, net of any losses) recognized by the Authority in connection with the TBA Program was \$83,858 and \$30,358, respectively. The income has been classified as "TBA program income" in the accompanying basic financial statements.

**BREVARD COUNTY HOUSING FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025**

Overview of the Financial Statements

The financial statements consist of two parts: Management's Discussion and Analysis and the Basic Financial Statements. The Basic Financial Statements also include notes that explain in more detail some of the information in the Basic Financial Statements.

The Authority's Basic Financial Statements have been prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

The Authority accounts for its financial activities through the use of an enterprise fund. See the notes to the Basic Financial Statements for a summary of the Authority's significant accounting policies.

Basic Financial Statements

The Basic 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 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). It also provides the basis for computing various financial ratios, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority. All 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 the Authority's profitability and creditworthiness and whether the Authority has successfully recovered all its expenses through fees and other income.

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

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Authority's assets, liabilities, net position, revenues and expenses and the resulting change in net position. Over time, increases or decreases in the Authority's net position are an indicator of the Authority's financial health. When evaluating changes in the Authority's financial health, other nonfinancial factors should also be considered. These include factors such as changes in economic conditions, new or changed government legislation and regulations, and the fulfillment of the Authority's public purpose.

**BREVARD COUNTY HOUSING FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025**

Net Position

A summary of the Authority's Statements of Net Position is presented in Table A. The Authority has no capital assets and its long-term debt obligations (i.e., revenue bonds and notes) are not general obligations of the Authority. Accordingly, such obligations are not included within the Authority's Basic Financial Statements (see Notes 1 and 6 to the Basic Financial Statements).

**Table A
Condensed Statements of Net Position**

	<u>2025</u>	<u>2024</u>
Assets:		
Current assets	\$ 7,513,870	\$ 7,333,858
Noncurrent assets	<u>2,397,415</u>	<u>2,005,212</u>
Total Assets	<u>\$ 9,911,285</u>	<u>\$ 9,339,070</u>
Current Liabilities	\$ 665,049	\$ 531,213
Unrestricted Net Position	<u>9,246,236</u>	<u>8,807,857</u>
Total Liabilities and Net Position	<u>\$ 9,911,285</u>	<u>\$ 9,339,070</u>

During the fiscal year ended September 30, 2025, current assets increased \$180 thousand. The net increase was primarily attributable to a \$1.8M increase in cash and cash equivalents, a \$118 thousand increase in the current portion of loans receivable, a \$1.7M decrease in current investments, and a \$66 thousand decrease in deposits held by custodian.

During the same time, there was a \$392 thousand increase in noncurrent assets primarily attributable to a \$19 thousand decrease in long-term investments and a \$411 thousand increase in long-term loans receivable.

The fiscal year 2025 change in total liabilities was primarily attributable to an increase in developer deposits by \$129 thousand, a decrease in Single Family Revenue Bonds of \$15 thousand and an increase of \$20 thousand in accrued expenses and other liabilities.

**BREVARD COUNTY HOUSING FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025**

Revenue, Expenses, and Changes in Net Position

A summary of the Authority's Statements of Revenues, Expenses, and Changes in Net Position is presented in Table B.

**Table B
Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	2025	2024
Revenues:		
Operating revenues	\$ 436,406	\$ 243,587
Non-operating revenues, net	166,130	358,200
Total revenues	<u>602,536</u>	<u>601,787</u>
Expenses:		
Operating expenses	<u>164,157</u>	<u>154,981</u>
Change in Net Position	<u><u>\$ 438,379</u></u>	<u><u>\$ 446,806</u></u>

The Statement of Revenues, Expenses, and Changes in Net Position provides information as to the nature and source of the changes in net position. During fiscal year 2025, net position increased by \$438 thousand, as compared with an increase of \$446 thousand in fiscal year 2024.

During fiscal year 2025, the net \$192 thousand increase in operating revenues from 2024 to 2025 was attributable to a \$54 thousand increase in TBA Program income and a \$155 thousand increase in Authority.

During fiscal year 2025, the \$192 thousand decrease in net non-operating revenue (expenses) from 2024 to 2025 was primarily due to a \$160 thousand increase in reserve for loan losses related to the Single Family Mortgage Revenue Bonds, Series 1985.

During fiscal year 2025, the \$9 thousand increase in operating expenses from 2024 to 2025 was largely attributable to a \$19 thousand increase in legal, accounting, and financial advisory expenses, offset by a \$10 thousand decrease in general operating and administrative expenses.

During fiscal year 2024, net position increased by \$446 thousand, as compared with an increase of \$292 thousand in fiscal year 2023. During fiscal year 2024, the net \$10 thousand decrease in operating revenues from 2023 to 2024 was primarily attributable to a \$26 thousand increase in TBA Program income, a \$5 thousand decrease in application and inducement fees, a \$47 thousand decrease in Authority fees, a \$16 thousand increase in recovery of loan losses.

**BREVARD COUNTY HOUSING FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025**

Revenue, Expenses, and Changes in Net Position (Continued)

During fiscal year 2024, the \$151 thousand increase in net nonoperating revenue (expenses) from 2023 to 2024 was primarily due to a \$166 thousand increase in the investment interest income and a \$15 thousand decrease in recovery of debt by insurance payments.

Cash Flows

A summary of the Authority's Statements of Cash Flows is presented in Table C. It presents the major sources and uses of cash and cash equivalents for the past two years. For purposes of the Statements of Cash Flows, the Authority considers all currency, demand deposits, and money market funds with banks or other financial institutions to be cash and cash equivalents.

**Table C
Condensed Statements of Cash Flows**

	<u>2025</u>	<u>2024</u>
Net cash used in operating activities	\$ (70,038)	\$ (150,114)
Net cash provided by investment activities	<u>1,844,642</u>	<u>724,099</u>
Net increase in cash and cash equivalents	1,774,604	573,985
Cash and cash equivalents, beginning of year	<u>5,486,497</u>	<u>4,912,512</u>
Cash and cash equivalents, end of year	<u>\$ 7,261,101</u>	<u>\$ 5,486,497</u>

Cash and cash equivalents in 2025 increased \$1.77M, and in 2024 increased \$574 thousand. The increase in cash and cash equivalents during fiscal year 2025 was the result of \$70 thousand being used by operating activities and \$1.8M being provided by investment activities. In comparison to fiscal year 2024, \$150 thousand was used by operating activities and \$724 was provided by investing activities.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025

Bond Programs

From time to time, the Authority has issued bonds and notes to finance single-family residential housing and qualified multi-family housing developments. Financial assistance was provided to stimulate the acquisition and construction of residential housing for low-, moderate-, and middle-income individuals and families. The Authority's bonds and notes are secured as described in each of the respective trust indentures. In no case is the Authority, Brevard County, the State of Florida, or any political subdivision thereof obligated in any manner for repayment of the bonds and notes. Accordingly, the bonds and notes are not reported as liabilities in the Basic Financial Statements.

Significant portions of the Authority's operating revenues are derived from fees and incomes generated by the single-family and multi-family bond programs issued by the Authority. Historically, these fees and incomes have usually exceeded the financial contributions made by the Authority to the bond programs. The non-conduit debt declined \$15,255 in 2025 and \$18,495 in 2024 due to cash claim payments received.

As of September 30, 2025, the Authority had issued and outstanding the following bonds and notes pursuant to its authorization:

	<u>Issued Amount</u>	<u>Outstanding Amount</u>
<i>Non-Conduit Debt -</i>		
Single Family/Homeowner Mortgage Revenue and Refunding Bonds:		
Series 1985 (Capital appreciation)	<u>\$ 29,999,372</u>	<u>\$ 159,750</u>
<i>Conduit Debt -</i>		
Multi-Family Housing Revenue and Refunding Bonds:		
Series 2004 A and B (Wickham Club)	\$ 8,000,000	\$ 4,195,000
Series 2007 (Timber Trace)	14,100,000	8,445,000
Series 2007 A and B (Oak Meadows)	11,675,000	11,640,000
Multi-Family Housing Revenue Notes:		
Series 2016 (Trinity Towers)	9,450,000	4,821,297
Series 2017 (Crane Creek)	13,202,000	7,550,638
Series 2020 (Venue at Viera Senior Living)	16,755,000	16,755,000
Series 2020B (Southlake Towers)	12,760,000	2,360,000
Series 2021 (Millennia Project)	32,340,000	32,140,000
Series 2022 (Venue at Viera Senior Living)	1,990,000	1,990,000
Series 2025 (Emerald Place Apartments)	<u>12,896,000</u>	<u>12,896,000</u>
Total Conduit Debt	<u>\$ 133,168,000</u>	<u>\$ 102,792,935</u>
Total Debt	<u>\$ 163,167,372</u>	<u>\$ 102,952,685</u>

**BREVARD COUNTY HOUSING FINANCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2025**

Bond Programs (Continued)

As of September 30, 2024, the Authority had issued and outstanding the following bonds and notes pursuant to its authorization:

	<u>Issued Amount</u>	<u>Outstanding Amount</u>
<i>Non-Conduit Debt -</i>		
Single Family/Homeowner Mortgage Revenue and Refunding Bonds:		
Series 1985 (Capital appreciation)	<u>\$ 29,999,372</u>	<u>\$ 175,005</u>
<i>Conduit Debt -</i>		
Multi-Family Housing Revenue and Refunding Bonds:		
Series 2004 A and B (Wickham Club)	\$ 8,000,000	\$ 4,495,000
Series 2007 (Timber Trace)	14,100,000	8,660,000
Series 2007 A and B (Oak Meadows)	10,490,000	1,170,572
Multi-Family Housing Revenue Notes:		
Series 2016 (Trinity Towers)	9,450,000	4,902,123
Series 2017 (Crane Creek)	13,202,000	7,667,974
Series 2020 (Venue at Viera Senior Living)	16,755,000	16,755,000
Series 2020B (Southlake Towers)	12,760,000	2,360,000
Series 2021 (Millennia Project)	32,340,000	32,340,000
Series 2022 (Venue at Viera Senior Living)	<u>1,990,000</u>	<u>1,990,000</u>
Total Conduit Debt	<u>\$ 119,087,000</u>	<u>\$ 80,340,669</u>
Total Debt	<u>\$ 149,086,372</u>	<u>\$ 80,515,674</u>

See Note 6 for more information.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Housing Finance Authority's Secretary/Treasurer of Brevard County, 4420 S, Washington Ave., Titusville, Florida.

BASIC FINANCIAL STATEMENTS

BREVARD COUNTY HOUSING FINANCE AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

ASSETS

Current Assets:

Cash and cash equivalents	\$ 4,055,081
Investments	88,591
Authority fees receivable	1,678
Deposits held by custodian	3,206,020
Loans receivable, net	<u>162,500</u>
Total current assets	<u><u>7,513,870</u></u>

Noncurrent Assets:

Investments	186,063
Loans receivable, net	<u>2,211,352</u>
Total noncurrent assets	<u><u>2,397,415</u></u>

Total Assets	<u><u>\$ 9,911,285</u></u>
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LIABILITIES AND NET POSITION

Current Liabilities:

Accrued expenses and other liabilities	\$ 50,299
Single Family Mortgage Revenue Bonds Series 1985 A & B	159,750
Developer deposits	<u>455,000</u>
Total liabilities	<u><u>665,049</u></u>

Net Position:

Unrestricted	<u>9,246,236</u>
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Total Liabilities and Net Position	<u><u>\$ 9,911,285</u></u>
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The accompanying notes are an integral
part of these financial statements.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2025

Operating Revenues:

Authority fees	\$ 352,466
TBA program income	83,858
Interest income	82
Total operating revenues	<u>436,406</u>

Operating Expenses:

General operating and administrative	12,924
Legal, accounting and financial	131,233
Special projects	20,000
Total operating expenses	<u>164,157</u>

Operating Income

272,249

Non-operating Revenues (Expenses):

Investment interest/dividend income	311,899
Change in fair value of investments	(1,219)
Other income (expenses)	(144,550)
Total non-operating revenues, net	<u>166,130</u>

Change in Net Position

438,379

Net Position, Beginning of Year

8,807,857

Net Position, End of Year

\$ 9,246,236

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

BREVARD COUNTY HOUSING FINANCE AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2025

Cash Flows From Operating Activities:

Collection of authority fees	\$ 391,213
Collection of TBA Program income, net of expenses	83,858
Advances of loan principal	(690,000)
Collection of loan principal	159,875
Payment of operating expenses	(144,066)
Receipt of developer deposits	129,000
Other income	82
Net cash used in operating activities	<u>(70,038)</u>

Cash Flows From Investing Activities:

Proceeds from the sale of investments	1,693,007
Investment income	151,635
Net cash provided by investing activities	<u>1,844,642</u>

Net Increase in Cash and Cash Equivalents 1,774,604

Cash and Cash Equivalents, Beginning of Year 5,486,497

Cash and Cash Equivalents, End of Year \$ 7,261,101

Reconciliation to Statement of Net Position:

Cash and cash equivalents	4,055,081
Deposits held by custodian	<u>3,206,020</u>

Cash and Cash Equivalents, End of Year \$ 7,261,101

Reconciliation of Operating Income to Net Cash

Used in Operating Activities:

Operating income	\$ 272,249
Adjustments to reconcile operating income to net cash used in operating activities:	
Changes in:	
Authority fees receivable	38,747
Loans receivable	(530,125)
Accrued expenses and other liabilities	20,091
Developer deposits	<u>129,000</u>
Net cash used in operating activities	<u><u>\$ (70,038)</u></u>

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

NOTES TO FINANCIAL STATEMENTS

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity:

The Brevard County Housing Finance Authority ("Authority") was created as a public body corporate and politic in accordance with the Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes, as amended, and Ordinance No. 79-09 ("Ordinance") enacted by the Board of County Commissioners of Brevard County, Florida on March 15, 1979, as amended, (the "Act"). The Authority is authorized, in furtherance of the public purposes described in the Act, to alleviate the shortage of affordable residential housing facilities and to provide capital for investment in such facilities for low-, moderate-, and middle-income families by issuing its revenue bonds and notes. The Authority issues bonds for single-family programs that provide funds to eligible borrowers to finance the purchase of qualifying single-family residences. The Authority also issues bonds and notes for the development of qualifying multi-family housing projects.

Financial oversight and accountability to the citizens of Brevard County is provided by the Board of County Commissioners ("Board"). The Board appoints the Housing Finance Authority members, who serve four-year terms. Members may be reappointed. Prior to issuance by the Authority, the Board approves bond financings, when required by either the Ordinance or federal tax law. Pursuant to Florida Statutes, the Board may alter or change the structure, organization, programs, or activities of the Authority; terminate the Authority; remove members of the Authority; and review the budget of the Authority.

The accompanying financial statements present the financial position, changes in financial position, and cash flows of the operating fund, which includes all the funds controlled by the Authority. For financial reporting purposes, the Authority is considered a component unit of Brevard County, Florida due to the oversight responsibility exercised by the Board and because the public service provided by the Authority is primarily for the benefit of Brevard County residents. The Authority has no component units.

Bonds and notes issued by the Authority are payable, both as to principal and interest, solely from the assets of the various programs that are pledged under the resolutions authorizing the particular issues. These issues do not constitute an obligation, either general or moral, of the Authority, Brevard County, the State of Florida, or of any local government therein. Neither the full-faith, credit, revenues, nor the taxing power of the Authority, Brevard County, the State of Florida, or any local government therein is pledged to the payment of the principal or interest on the obligations. Accordingly, such obligations are not included within the accompanying financial statements. The Authority has no taxing power.

The Authority and other local housing finance authorities and counties have entered into interlocal agreements with the objective of alleviating the shortage of housing in their respective jurisdictions. The agreements provide for the Authority to either (1) issue single-family bonds to provide funds to make loans to qualified persons or families of low-, moderate-, or middle-income to finance the purchase of qualified owner-occupied single-family residences, (2) participate with other local housing finance authorities in their single-family bond program or other housing programs, or (3) issue multi-family bonds and notes to provide funds to make loans to qualified entities to finance the acquisition, construction, and/or rehabilitation of qualified multi-family housing projects.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation:

The Authority accounts for its operating fund activities through the use of an enterprise fund. An enterprise fund is 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.

Basis of Accounting:

The accompanying financial statements have been prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Authority considers all currency, demand deposits, and money market funds with banks or other financial institutions to be cash and cash equivalents.

Investments:

Investments in the Local Government Surplus Funds Trust Fund ("Florida PRIME"), are carried at amortized cost, which approximates fair value. Investments in mortgage-backed securities are carried at fair value.

Authority Fees Receivable:

Authority fees receivable are carried at cost and consist of authority fees owed to the Authority but received by the Authority in the next fiscal year.

Loans Receivable:

Loans receivable are carried at original cost, less principal collections. Loans receivable, which are deemed by management to be uncollectible, are written off in the period in which the determination is made.

Allowance for Loan Losses:

Additions to the allowance for loan losses are made by provisions charged to current operations. The determination of the allowance is based on an evaluation of the loan portfolio, current economic conditions, and other factors relevant to a determination of the collectability of the loans and reflects an amount that, in management's judgment, is adequate to provide for potential losses.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Developer Deposits:

The Authority usually requires a deposit from developers seeking new bond and note financing or bond and note refunding for multi-family developments. To the extent necessary, the deposited moneys are subsequently utilized to pay the professional fees incurred to structure and close the bond and note financing. Unused moneys are returned to the developer.

Net Position:

Net position is comprised of the accumulated net earnings (losses) from revenues and expenses.

The restricted net position classification is used to indicate a segregation of a portion of net position equal to the value of assets the uses of which are restricted through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Unrestricted net position relates to that portion of net position not restricted for purposes described above. The Authority considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Designations are used to indicate a segregation of a portion of unrestricted net position at the discretion of the Authority, which are to be used for a specific purpose and not for general operations. These amounts are included in unrestricted net position for financial reporting purposes.

Revenue and Expenses:

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Operating revenues consist of bond and note program authority fees and bond and note program residuals. Non-operating revenue consists of revenue that is primarily related to investing activity.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 22, 2026, and determined that no events occurred that required disclosure.

NOTE 2 - DEPOSITS HELD BY CUSTODIAN

In March 2013, the Authority entered into a depository agreement with The Bank of New York Mellon Trust Company, N.A. ("BNYM"). Pursuant to the agreement, BNYM is custodian of certain moneys and securities (and investment earnings thereon) of the Authority that may be utilized to acquire mortgage-backed securities or other investments and to fund down payment assistance in connection with the Authority's participation in the Housing Finance Authority of Hillsborough County, Florida's ("Hillsborough HFA") 2012 MBS Origination Program (aka, the TBA Program or Continuous Funding Program) within Brevard County, Florida (Note 8). At any time, the Authority may direct BNYM to disburse moneys (1) for the acquisition of mortgage-backed securities or other investments or (2) other purposes. At any time, eHousingPlus (the compliance administrator) may direct BNYM to disburse moneys (within specified limits) to fund down payment assistance. Upon thirty days' written notice, either party may terminate the agreement, whereupon all moneys and securities on deposit in the custodial accounts (TBA Program MBS acquisition and TBA Program down payment assistance) would be paid to either the Authority or any other person in accordance with the Authority's direction.

For the above described purpose, the Authority has designated a portion of its unrestricted net position approximately equal in amount to the balance of the moneys on deposit in the custodial account of \$165,211 at September 30, 2025.

At September 30, 2025, the moneys on deposit in the TBA Program MBS acquisition custodial account and TBA Program down payment assistance custodial account were invested in the Morgan Stanley Institutional Liquidity Fund Government Portfolio ("ILF Government Portfolio"). The ILF Government Portfolio's strategy is to invest in obligations issued or guaranteed by the U.S. Government and its agencies and instrumentalities and in repurchase agreements collateralized by such securities. Shares of the ILF Government Portfolio are not bank deposits and are not insured nor guaranteed by the FDIC or any other government agency.

Collateralizing securities, if any, are not held in the name of the Authority. The ILF Government Portfolio pays a variable market rate of interest. Authority management believes the carrying value (i.e., cost) approximates fair value. At September 30, 2025, the ILF Government Portfolio was rated Aaa-mf by Moody's Investor Services and AAAM by Standard & Poor's. The weighted average maturity was 44 days.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 3 - CASH AND CASH EQUIVALENTS

At September 30, 2025, cash and cash equivalents consisted of the following:

Bank demand deposit account	\$ 888,118
US Bank account	<u>3,166,963</u>
Total cash and cash equivalents	<u>\$ 4,055,081</u>

The Authority manages custodial credit risk by depositing moneys in demand deposit accounts and trust custodial accounts (except the TBA Program custodial accounts) with qualified public depositories or in money market funds (with high credit quality ratings) held within trust custodial accounts, all of which its board members have approved for use.

Along with federal depository insurance, the bank demand deposit account is 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.

In March 2010, the Authority entered into a custody agreement with Wells Fargo Bank, N.A. Pursuant to the agreement, Wells Fargo provides custodian services for certain Government National Mortgage Association ("GNMA") and Federal National Mortgage Association ("FNMA") mortgage-backed securities owned by the Authority (Note 4) and received as a portion of the residuals at the time the Authority's Single Family Mortgage Revenue Bonds, Series 2001 A-1 and A-2 were fully redeemed. At any time, the Authority may direct Wells Fargo to disburse moneys and/or deliver securities on deposit in the custodial account (Single Family 2001 MBS) to the Authority. Upon thirty days' written notice, either party may terminate the agreement, whereupon all moneys and securities on deposit in the custodial account (Single Family 2001 MBS) would be paid to either the Authority or to any other person in accordance with the Authority's written instruction.

In July 2011, the Authority entered into a custody agreement with Wells Fargo Bank, N.A. Pursuant to the agreement, Wells Fargo provides custodian services for certain Government National Mortgage Association ("GNMA") mortgage-backed securities owned by the Authority (Note 4) and received as a portion of the residuals at the time the Authority's Single Family Mortgage Revenue Bonds, Series 2002 A and B were fully redeemed. At any time, the Authority may direct Wells Fargo to disburse moneys and/or deliver securities on deposit in the custodial account (Single Family 2002 MBS) to the Authority. Upon thirty days' written notice, either party may terminate the agreement, whereupon all moneys and securities on deposit in the custodial account (Single Family 2002 MBS) would be paid either to the Authority or to any other person in accordance with the Authority's written instruction.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

At September 30, 2025, the moneys on deposit in the Single Family 2002 MBS and Single Family 2001 MBS custodial accounts were invested in money market funds. The money market fund's strategy is to invest in U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury obligations. However, the fund may invest in other securities. The money market fund shares are neither insured nor guaranteed by the U.S. Government or any other party. Collateralizing securities, if any, are not held in the name of the Authority. The money market fund pays a variable market rate of interest. Authority management believes the carrying value (i.e., cost) approximates fair value. At September 30, 2025, the money market funds was rated Aaa-mf by Moody's Investor Services and AAAM by Standard & Poor's. The weighted average maturity was 50 days.

NOTE 4 - INVESTMENTS

At September 30, 2025, investments consisted of the following:

Florida Prime	\$ 88,591
Mortgage-backed securities	<u>186,063</u>
 Total investments	 274,654
Less current portion	<u>(88,591)</u>
 Long-term portion	 <u><u>\$ 186,063</u></u>

Florida Statutes authorize the Authority to invest in certain types of investments. It is the Authority's practice to comply with statutory requirements. It is the Authority's policy to invest in (a) the Local Government Surplus Funds Trust Fund (Florida PRIME) administered by the Florida State Board of Administration or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.1, Florida Statutes; provided that such fund has been rated as a money market fund in the highest rating category by Standard and Poor's, (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, (c) banking accounts in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes, (d) certificates of deposit in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes, (e) direct obligations of the U.S. Treasury, and (f) Federal agencies and instrumentalities.

The Authority may invest in other investments, as authorized by resolution. In furtherance of its housing programs, the Authority may provide funding for (1) first or second mortgage loans, or in mortgage-backed securities relating to such loans, made to certain eligible persons or families in Brevard County, Florida, (2) cost of issuance for single family bond issues, or (3) any other loan made in conjunction with a housing development in Brevard County, Florida. The securities listed in (c), (d), (e), and (f) are to be invested to match investment maturities with known cash needs and anticipated cash-flow requirements.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 4 - INVESTMENTS (Continued)

Investments made pursuant to the Authority's investment policy are to be diversified to the extent practical to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold.

Certain of the Authority's investments are subject to certain risks as defined below:

Interest Rate Risk - the risk that changes in interest rates will adversely affect the fair value of investments. In accordance with the provisions of the state statutes governing allowable investments, the Authority manages its exposure by diversifying.

Credit Risk - the risk of losses due to the failure of the security issue or backer. The Governmental Accounting Standards Board ("GASB") requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. This is mitigated by investing in the assets allowed under State Ordinance and by diversifying the portfolio so that potential losses on individual securities will be minimized.

Custodial Credit Risk - the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2025, the Authority's investments are held in street name in the form of mortgage-backed securities through a financial brokerage firm segregated out from the assets and investments held by other clients of the investment firm and their own assets.

Concentrations of Credit Risk - GASB requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The Authority's investment policy allows investment concentrations in different types of investments to the extent practical to control the risk of loss resulting from overconcentration of assets in specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold.

Credit risk quality, identified with nationally recognized statistical rating organization ratings, and interest rate risk, as identified by weighted average maturities, is provided in the following table.

Fund/Investment	Credit Quality Rating	Maturity	Fair Value
Florida Prime	AAAm	Less than 1 year	\$ 88,591
Mortgage-backed securities	AA+	6.3 to 7.1 years	<u>186,063</u>
Total investments			<u>\$ 274,654</u>

During the year ended September 30, 2025, the Florida Prime's average yield was approximately 4.5%. At September 30, 2025, the mortgage-backed securities bore interest rates of 5.45%-5.60%.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 4 - INVESTMENTS (Continued)

Fair Value Measurements:

GASB establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the codification are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Authority's assets at fair value as of September 30, 2025:

	Fair Value/ Amortized Cost	Level 1	Level 2	Level 3
Investments measured at fair value:				
Mortgage-backed securities	\$ 186,063	\$ -	\$ 186,063	\$ -
Investments measured at amortized cost:				
Florida Prime	88,591	-	-	-
Total investments	<u>\$ 274,654</u>	<u>\$ -</u>	<u>\$ 186,063</u>	<u>\$ -</u>

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 4 - INVESTMENTS (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2025.

Mortgage-backed securities - Mortgage-backed securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique based on the price or yield of similar debt securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Authority believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 5 - LOANS RECEIVABLE

At September 30, 2025, the Authority owned loans receivable from the following parties:

(a) Community of Hope (2018)	\$ 265,050
(b) Community of Hope (2025)	150,000
(c) Crosswinds Youth Services, Inc.	44,781
(d) Homeowners (Series 2009 B Second Mortgage loans)	120,000
(e) Homeowners (TBA Program Second Mortgage loans)	2,357,500
(f) Single Family Mortgage Revenue Bond, Series 1985 Receivable	<u>159,750</u>
 Total Loans Receivable	 3,097,081
Less: Current portion	(162,500)
Less: Allowance for loan losses	<u>(723,229)</u>
 Long-term portion, net	 <u>\$ 2,211,352</u>

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 5 - LOANS RECEIVABLE (Continued)

- a) On July 10, 2018, the Authority entered into a loan agreement ("2018 Loan Agreement") with Community of Hope, Inc. a Florida not-for-profit corporation. The Authority provided a loan totaling \$502,200 to assist the not-for-profit in its operation to provide affordable transitional and permanent housing to low-income persons and families by providing funds used to repay two existing mortgage loans on certain properties owned by Community of Hope (\$424,675).

The loan is evidenced by a promissory note and is non-interest bearing. Payments of \$2,790 are due on the first of each month, until August 1, 2033, at which time the remaining principal balance is due and payable. The loan may be prepaid in whole or in part at any time without penalty. The loan is non-collateralized, unless subsequently required by the Authority.

- b) On April 23, 2025, the Authority entered into a loan agreement ("2025 Loan Agreement") with the Community of Hope, Inc. a Florida not-for-profit corporation. The Authority provided a loan totaling \$150,000 to assist the not-for-profit in its operations to provide affordable transitional and permanent housing to low-income persons and families. The loan is evidenced by a promissory note and is non-interest bearing. The loan is due in a balloon payment on April 22, 2026.
- c) On August 5, 2015, the Authority approved funding up to \$45,000 for a new air conditioning system for a building located in Cocoa, Florida and owned by Crosswinds Youth Services, Inc. ("Crosswinds"). On March 30, 2016, the loan funding totaling \$44,781 was disbursed, after the Authority received (1) paid invoices from Crosswinds, which evidenced the installation of the equipment, and (2) a subordinate mortgage and mortgage note. Crosswinds' mission includes providing emergency shelter for run away and homeless children. Crosswinds provides shelter, as well as services, for youth under the age of eighteen that have been abused, neglected, and/or endangered.

The loan is evidenced by a mortgage and mortgage note. No principal nor interest payments are required.

The mortgage note would become due if all or any part of the mortgaged property or any interest in it is sold, transferred, gifted, or otherwise conveyed, whether by voluntary act, involuntarily, by operation of law or otherwise, or if the mortgagor is divested of title by judicial sale, levy, or other procedure, or if foreclosure action is instituted against the mortgaged property, or if the mortgage is satisfied or refinanced, or if the mortgaged property is not utilized for housing in the form of emergency shelter and services to abused, neglected and endangered youth with low income. Upon fulfillment of the terms of the mortgage and mortgage note, at the end of ten years (i.e., March 30, 2026) from the date of the note, the mortgage and mortgage note will be extinguished in full. The loan is collateralized by certain real property.

- d) In December 2010, the Authority issued its Single Family Housing Revenue Bonds, Series 2009 B (\$20,770,000) ("2009 B Program"). The bond proceeds were intended to be used to provide moneys to fund new single-family mortgages for families of lower income. In connection with the 2009 B Program, the Authority appropriated \$724,500 (and subsequently utilized \$600,000) to fund second lien mortgage loans, not to exceed \$5,000 each, for home buyers satisfying certain family income criteria. The loans were intended to assist qualifying applicants with down payment and closing cost assistance with loans originated to purchase homes in Brevard County.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 5 - LOANS RECEIVABLE (Continued)

The second mortgage loans are interest-free, non-amortizing second mortgage loans payable when (1) the first mortgage loan is paid in full upon its maturity and according to its terms, (2) the first mortgage loan is refinanced in whole or in part or is assumed by a new borrower without the consent of the Authority, (3) the unpaid balance of the first mortgage loan becomes due and payable in full for any reason, or (4) all or any part of the mortgaged property, or any interest in it, is sold, leased, transferred, or foreclosed, except that this clause will not apply to (i) the creation of a lien subordinate to the second mortgage or (ii) a transfer (not upon death) between joint tenants in the mortgaged property who are also co-makers of the second mortgage note, or (iii) a transfer by devise, descent or operation of law upon the death of a joint tenant in the mortgaged property if at least one other joint tenant who is also the maker of the second mortgage note remains alive and continues to occupy the mortgaged property as his or her principal residence.

- e) On September 14, 2012, the Authority entered an interlocal agreement with the Housing Finance Authority of Hillsborough County, Florida ("Hillsborough HFA"). Pursuant to the interlocal agreement, the Hillsborough HFA is authorized to operate its 2012 MBS Origination Program (aka, the TBA Program or Continuous Funding Program) within Brevard County, Florida (Note 8). The Authority's intent is to provide financing for homes to persons whose family annual income does not exceed certain limits and who might not otherwise be able to purchase a home. In connection with the TBA Program, the Authority appropriated \$250,000 (subsequently increased to \$2,695,169) to fund second lien mortgage loans, not to exceed \$10,000 or \$7,500 each, for home buyers satisfying certain family income criteria. The amount of down payment and closing cost assistance was reduced to \$7,500 effective October 1, 2018, and then increased to \$15,000 on June 22, 2022.

The loans are intended to assist qualifying applicants with down payment and closing cost assistance associated with loans originated to purchase homes in Brevard County. Since the Authority may discontinue the down payment and closing cost assistance program at any time, a portion of net position equal to the unused funds, which totaled \$165,211 on September 30, 2025, is classified as designated.

The second mortgage loans are interest-free, non-amortizing second mortgages loans payable when (1) the first mortgage loan is paid in full upon its maturity and according to its terms, (2) the first mortgage loan is refinanced in whole or in part or is assumed by a new borrower without the consent of the Authority, (3) the unpaid balance of the first mortgage loan becomes due and payable in full for any reason, or (4) all or any part of the mortgaged property, or any interest in it, is sold, leased, transferred, or foreclosed, except that this clause will not apply to (i) the creation of a lien subordinate to the second mortgage or (ii) a transfer (not upon death) between joint tenants in the mortgaged property who are also co-makers of the second mortgage note, or (iii) a transfer by devise, descent or operation of law upon the death of a joint tenant in the mortgaged property if at least one other joint tenant who is also the maker of the second mortgage note remains alive and continues to occupy the mortgaged property as his or her principal residence.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 5 - LOANS RECEIVABLE (Continued)

- f) The Authority issued Single Family Mortgage Revenue Bonds in 1985. All of the related receivables were collected except for \$301,500, which were deemed to be in default. Insurance paid \$24,750 in October 2018, \$22,500 in May 2020, \$4,500 in February 2021, \$23,175 in February 2022, \$33,075 in February 2023, \$18,495 in January 2024, and \$15,255 in 2025. The Authority fully reserved the remaining balance in default of \$159,750 at September 30, 2025.

Since the real properties, which collateralize certain of the Authority's loans receivable, are concentrated within one geographic location (Brevard County, Florida), there is a significant concentration of credit risk. In an effort to minimize this risk, it is the Authority's policy to perform application reviews for certain loans made under its second mortgage programs and to record mortgage liens on real property, which collateralize certain of the Authority's loans receivable.

NOTE 6 - BOND AND NOTE PROGRAMS

From time to time, the Authority has issued revenue bonds and notes to provide assistance to individuals, families, and private-sector entities. The financial assistance was provided to encourage the investment of private capital and stimulate the acquisition and construction of residential housing for low-, moderate-, and middle-income individuals and families. The bonds and notes are secured by the assets, revenues, receipts, and other resources of the bond and note programs and are payable solely from payments received pursuant to the respective bond and note program documents. Neither the Authority, Brevard County, the State of Florida, nor any political subdivision thereof is obligated in any manner for repayment of the bonds and notes. Accordingly, the bonds and notes considered conduit debt are not reported as liabilities in the basic financial statements. The bonds and notes considered non-conduit debt are reported as liabilities in the basic financial statements. As of September 30, 2025, the Authority had issued revenue bonds of \$163,167,372 and had outstanding revenue bonds and notes totaling \$102,952,685.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 6 - BOND AND NOTE PROGRAMS (Continued)

As of September 30, 2025, the Authority had issued and outstanding the following bonds and notes pursuant to its authorization:

	<u>Issued Amount</u>	<u>Outstanding Amount</u>
<i>Non-Conduit Debt -</i>		
Single Family/Homeowner Mortgage Revenue and Refunding Bonds:		
Series 1985 (Capital appreciation)	\$ 29,999,372	\$ 159,750
<i>Conduit Debt -</i>		
Multi-Family Housing Revenue and Refunding Bonds:		
Series 2004 A and B (Wickham Club)	\$ 8,000,000	\$ 4,195,000
Series 2007 (Timber Trace)	14,100,000	8,445,000
Series 2007 A and B (Oak Meadows)	11,675,000	11,640,000
Multi-Family Housing Revenue Notes:		
Series 2016 (Trinity Towers)	9,450,000	4,821,297
Series 2017 (Crane Creek)	13,202,000	7,550,638
Series 2020 (Venue at Viera Senior Living)	16,755,000	16,755,000
Series 2020B (Southlake Towers)	12,760,000	2,360,000
Series 2021 (Millennia Project)	32,340,000	32,140,000
Series 2022 (Venue at Viera Senior Living)	1,990,000	1,990,000
Series 2025 (Emerald Place Apartments)	12,896,000	12,896,000
Total Conduit Debt	\$ 133,168,000	\$ 102,792,935
Total Debt	\$ 163,167,372	\$ 102,952,685

The Authority is unaware of and has received no notice of default from the trustees for its single family and multi-family bond and note programs, except for the following. Other than the following, the Authority is unaware of any current financial difficulties relating to its bond and note programs.

**BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 6 - BOND AND NOTE PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985:

The Single Family Mortgage Revenue Bonds, Series 1985 matured on April 1, 2017 at the appreciated value of \$450,000. On the Electronic Municipal Market Access (“EMMA”) website, the trustee published notices, which state, in part, the following. The entire notice may be accessed on the EMMA website by utilizing the “Quick Search” feature and entering the bond CUSIP.

Notice to Holders of Nonpayment of Principal
April 7, 2017
Brevard County Housing Finance Authority
Single Family Mortgage Revenue Bonds
1985 Series A

CUSIP: 107417GK7 (the “Bonds”)

Wells Fargo Bank, National Association, acts as successor trustee (the “Trustee”) for the holders of the above-mentioned bonds (the “Bonds”) issued under a Trust Indenture (the “Indenture”) between Barnett Banks Trust Company, N.A. and Brevard County Housing Finance Financing Authority as issuer dated as of October 1, 1985. Capitalized terms not defined in this Notice have the meanings assigned to them in the Indenture.

The Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017.

The registered Holders of the Bonds (CUSIP 107417GK7) are entitled to receive payment of principal from Financial Guaranty Insurance Company (“FGIC”), subject to the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC’s First Amended Plan of Rehabilitation dated June 4, 2013 (the “FGIC Policy”). Upon permitting a policy claim for such unpaid principal under the FGIC Policy, FGIC will make the initial cash payment required with respect to such permitted claim under the FGIC Policy to its fiscal agent, Wilmington Trust, National Association (the “Fiscal Agent”), for the benefit of the Bondholders. In accordance with the terms of the FGIC Policy, the Fiscal Agent will disburse such claim payment to the registered Holder of the Bonds only after the Fiscal Agent receives, in form reasonably satisfactory to the Fiscal Agent, proof of such Holder’s entitlement to payment and an assignment to FGIC of all of such Holder’s rights to payment of the unpaid principal in an amount equal to such claim payment.

The Trustee has submitted a claim under the FGIC Policy for a \$450,000 deficiency for the principal payment due on the Bonds. The Trustee is unable to state precisely when FGIC will forward the insured payments or the final amount that FGIC will pay. Inquiries concerning the amount and timing of FGIC’s payment should be directed to FGIC.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 6 - BOND NOTE AND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued):

The Superintendent of Financial Services of the State of New York, in his capacity as the court appointed rehabilitator (the “Rehabilitator”) of the Financial Guaranty Insurance Company (“FGIC”), determined that the conditions to the effective date of the First Amended Plan of Rehabilitation for FGIC dated June 4, 2013 (the “Plan”) had been satisfied and that the effective date of the Plan occurred on August 19, 2013. On the effective date, the Plan became effective and FGIC’s Rehabilitation Proceeding terminated. The initial Cash Payment Percentage (“CPP”) was set at 17.00%. The CPP was increased to 21.00% effective October 24, 2014, and was further increased to 22.00% effective October 8, 2015. Effective October 24, 2016, the CPP was further increased from 22.00% to 25.00%.

The Bonds will remain outstanding beyond the capital appreciation bond maturity date of 4/1/2017 in order to pay additional amounts per the current CPP.” This is the end of the quoted portion of the notice.

The trustee has informed the Authority that on September 30, 2017 the outstanding balance of the Single Family Mortgage Revenue Bonds, Series 1985 was \$337,500 following the \$112,500 (25%) bond principal payment by Financial Guaranty Insurance Company, which was made in April 2017.

With regard to its Single Family Mortgage Revenue Bonds, Series 1985 (“Single Family 1985 Bonds”), the Authority makes no recommendations and gives no investment advice and bond holders shall not rely upon the Authority as their sole source of information for any decisions related to the Single Family 1985 Bonds.

“Notice to Holders of Non-payment of Principal”

March 5, 2018

Brevard County Housing Finance Authority
Single Family Mortgage Revenue Bonds
Series 1985

CUSIP: 107417GK7 (the “Bonds”)

Wells Fargo Bank, National Association, acts as successor trustee (the “Trustee”) for the holders of the above-mentioned bonds (the “Bonds”) issued under a Trust Indenture (the “Indenture”) between Barnett Banks Trust Company, N.A. and Brevard County Housing Finance Financing Authority as issuer dated as of October 1, 1985. Capitalized terms not defined in this Notice have the meanings assigned to them in the Indenture.

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company (“FGIC”), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC’s First Amended Plan of Rehabilitation dated June 4, 2013 (the “Plan”, and such policy as modified by the Plan being the “FGIC Policy”), a claim for the \$450,000 deficiency for the principal payment due on the Bonds and unpaid on such payment date.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 6 - BOND NOTE AND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued):

FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, paid 25% (FGIC's then-current cash payment percentage under the Plan, referred to as the "CPP") of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the "Fiscal Agent"), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payment to The Depository Trust Company ("DTC"), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC an assignment to FGIC of all of such its rights to payment of the unpaid principal in an amount equal to such claim payment.

FGIC has announced that the New York State Department of Financial Services approved an upward adjustment in the CPP (the "2017 CPP Upward Adjustment") from 25% to 33% in connection with FGIC's 2017 annual revaluation of the CPP under the Plan, effective December 4, 2017. The registered Holders of the Bonds are entitled to receive, in connection with the 2017 CPP Upward Adjustment, an additional cash payment under the FGIC Policy by FGIC in the amount of \$36,000 (the "DPO Payment"), as calculated in accordance with the Plan in respect of the permitted policy claim referred to above. FGIC has informed the Trustee that FGIC has made such payment to the Fiscal Agent for the benefit of the Bondholders on January 31, 2018. In accordance with the terms of the FGIC Policy, the Fiscal Agent will disburse the DPO Payment to DTC only after the Fiscal Agent receives from DTC an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to the DPO Payment.

Notwithstanding the Bond maturity date of April 1, 2017, the Bonds will continue to remain outstanding so that the Bondholders may receive additional amounts, if any, which may be payable from time to time under the FGIC Policy in connection with any further upward adjustment of the CPP, if applicable. However, no assurance can be given as to whether, when or in what amounts the CPP may be further adjusted pursuant to the Plan.

The trustee has informed the Authority that on September 30, 2019 the outstanding balance of the Single Family Mortgage Revenue Bonds, Series 1985 was \$301,500 following the \$36,000 (8%) bond principal payment by Financial Guaranty Insurance Company, which was made in March 2018. This amount has been recorded as a liability of the Authority as required by generally accepted accounting principles even though legally the bonds are not a debt of the Authority. Financial Guaranty Insurance Company paid an additional amount of \$24,750 in October 2018. The Authority does not expect any further collections and have fully allowed for the remaining \$276,750.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 6 - BOND NOTE AND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued):

With regard to its Single Family Mortgage Revenue Bonds, Series 1985 ("Single Family 1985 Bonds"), the Authority makes no recommendations and gives no investment advice and bond holders shall not rely upon the Authority as their sole source of information for any decisions related to the Single Family 1985 Bonds.

"Notice to Holders of Additional Payment in respect of Principal"

May 4, 2020

Brevard County Housing Finance Authority

Single Family Mortgage Revenue Bonds

Series 1985

CUSIP: 107417GK7 (the "Bonds")

Wells Fargo Bank, National Association, acts as successor trustee (the "Trustee") for the holders of the above-mentioned bonds (the "Bonds") issued under a Trust Indenture (the "Indenture") between Barnett Banks Trust Company, N.A. and Brevard County Housing Finance Financing Authority as issuer dated as of October 1, 1985. Capitalized terms not defined in this Notice have the meanings assigned to them in the Indenture.

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company ("FGIC"), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC's First Amended Plan of Rehabilitation dated June 4, 2013 (the "Plan", and such policy as modified by the Plan being the "FGIC Policy"), a claim for the \$450,000 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 38.5% (FGIC's adjusted cash payment percentage (referred to as the "CPP") under the Plan as of the September 4, 2018 effective date of the upward adjustment of the CPP in connection with FGIC's 2018 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the "Fiscal Agent"), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payments to The Depository Trust Company ("DTC"), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC, in the case of each such claim payment, an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to such claim payment.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 6 - BOND AND NOTE PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued):

FGIC announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the “2019 CPP Upward Adjustment”) from 38.5% to 43.5% in connection with FGIC’s 2019 annual revaluation of the CPP under the Plan, effective October 14, 2019. The registered Holders of the Bonds are entitled to receive, in connection with the 2019 CPP Upward Adjustment, an additional cash claim payment of \$22,500 by FGIC in respect of the permitted policy claim referred to above (the “DPO Payment”) and \$1,587.73 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the “DPO Accretion Payment”), in each case as calculated in accordance with the Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Accretion Payment to the Trustee to distribute to the Bondholders. In accordance with the terms of the FGIC Policy, the Fiscal Agent will disburse the DPO Payment to DTC only after the Fiscal Agent receives from DTC an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to the DPO Payment.

Notwithstanding the Bond maturity date of April 1, 2017, the Bonds will continue to remain outstanding so that the Bondholders may receive additional amounts, if any, which may be payable from time to time under the FGIC Policy in connection with any further upward adjustment of the CPP, if applicable. However, no assurance can be given as to whether, when or in what amounts the CPP may be further adjusted pursuant to the Plan.

“Notice to Holders of Additional Payment in respect of Principal”

February 3, 2021

Brevard County Housing Finance Authority
Single Family Mortgage Revenue Bonds
Series 1985

CUSIP: 107417GK7 (the “Bonds”)

Wells Fargo Bank, National Association, acts as successor trustee (the “Trustee”) for the holders of the above-mentioned bonds (the “Bonds”) issued under a Trust Indenture (the “Indenture”) between Barnett Banks Trust Company, N.A. and Brevard County Housing Finance Financing Authority as issuer dated as of October 1, 1985. Capitalized terms not defined in this Notice have the meanings assigned to them in the Indenture.

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company (“FGIC”), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC’s First Amended Plan of Rehabilitation dated June 4, 2013 (the “Plan”, and such policy as modified by the Plan being the “FGIC Policy”), a claim for the \$450,000 deficiency for the principal payment due on the Bonds and unpaid on such payment date.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 6 - BOND AND NOTE PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued):

FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 43.5% (FGIC's adjusted cash payment percentage (referred to as the "CPP") under the Plan as of the October 14, 2019 effective date of the upward adjustment of the CPP in connection with FGIC's 2019 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the "Fiscal Agent"), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payments to The Depository Trust Company ("DTC"), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC, in the case of each such claim payment, an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to such claim payment.

FGIC announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the "2019 CPP Upward Adjustment") from 43.5% to 44.5% in connection with FGIC's 2020 annual revaluation of the CPP under the Plan, effective October 4, 2020. The registered Holders of the Bonds are entitled to receive, in connection with the 2020 CPP Upward Adjustment, an additional cash claim payment of \$4,500 by FGIC in respect of the permitted policy claim referred to above (the "DPO Payment") and \$668.04 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the "DPO Accretion Payment"), in each case as calculated in accordance with the Brevard County Housing Finance Authority Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Accretion Payment to the Trustee to distribute to the Bondholders. In accordance with the terms of the FGIC Policy, the Fiscal Agent will disburse the DPO Payment to DTC only after the Fiscal Agent receives from DTC an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to the DPO Payment.

Notwithstanding the Bond maturity date of April 1, 2017, the Bonds will continue to remain outstanding so that the Bondholders may receive additional amounts, if any, which may be payable from time to time under the FGIC Policy in connection with any further upward adjustment of the CPP, if applicable. However, no assurance can be given as to whether, when or in what amounts the CPP may be further adjusted pursuant to the Plan.

"Notice to Holders of Additional Payment in respect of Principal"

February 7, 2022

Brevard County Housing Finance Authority
Single Family Mortgage Revenue Bonds
Series 1985

CUSIP: 107417GK7 (the "Bonds")

Wells Fargo Bank, National Association, acts as successor trustee (the "Trustee") for the holders of the above-mentioned bonds (the "Bonds") issued under a Trust Indenture (the "Indenture") between Barnett Banks Trust Company, N.A. and Brevard County Housing Finance Financing Authority as issuer dated as of October 1, 1985. Capitalized terms not defined in this Notice have the meanings assigned to them in the Indenture.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 6 - BOND AND NOTE PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued):

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company ("FGIC"), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC's First Amended Plan of Rehabilitation dated June 4, 2013 (the "Plan", and such policy as modified by the Plan being the "FGIC Policy"), a claim for the \$450,000 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 44.5% (FGIC's adjusted cash payment percentage (referred to as the "CPP") under the Plan as of the October 4, 2020 effective date of the upward adjustment of the CPP in connection with FGIC's 2020 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the "Fiscal Agent"), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payments to The Depository Trust Company ("DTC"), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC, in the case of each such claim payment, an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to such claim payment.

FGIC announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the "2021 CPP Upward Adjustment") from 44.5% to 49.65% in connection with FGIC's 2021 annual revaluation of the CPP under the Plan, effective October 27, 2021.

The registered Holders of the Bonds are entitled to receive, in connection with the 2021 CPP Upward Adjustment, an additional cash claim payment of \$23,175 by FGIC in respect of the permitted policy claim referred to above (the "DPO Payment") and \$2,724.41 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the "DPO Accretion Payment"), in each case as calculated in accordance with the Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Payment to DTC and the DPO Accretion Payment to the Trustee to distribute to the Bondholders.

Notwithstanding the Bond maturity date of April 1, 2017, the Bonds will continue to remain outstanding so that the Bondholders may receive additional amounts, if any, which may be payable from time to time under the FGIC Policy in connection with any further upward adjustment of the CPP, if applicable. However, no assurance can be given as to whether, when or in what amounts the CPP may be further adjusted pursuant to the Plan.

February 9, 2023
"Notice to Holders of Additional Payment in respect of Principal"
Brevard County Housing Finance Authority
Single Family Mortgage Revenue Bonds
Series 1985

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 6 - BOND AND NOTE PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued):

CUSIP: 107417GK7 (the “Bonds”)

Wells Fargo Bank, National Association, acts as successor trustee (the “Trustee”) for the holders of the above-mentioned bonds (the “Bonds”) issued under a Trust Indenture (the “Indenture”) between Barnett Banks Trust Company, N.A. and Brevard County Housing Finance Financing Authority as issuer dated as of October 1, 1985. Capitalized terms not defined in this Notice have the meanings assigned to them in the Indenture.

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company (“FGIC”), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC’s First Amended Plan of Rehabilitation dated June 4, 2013 (the “Plan”, and such policy as modified by the Plan being the “FGIC Policy”), a claim for the \$450,000 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 49.65% (FGIC’s adjusted cash payment percentage (referred to as the “CPP”) under the Plan as of the October 27, 2021 effective date of the upward adjustment of the CPP in connection with FGIC’s 2021 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the “Fiscal Agent”), for the benefit of the Bondholders.

The Fiscal Agent disbursed such claim payments to The Depository Trust Company (“DTC”), as the registered Holder of the Bonds.

FGIC announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the “2022 CPP Upward Adjustment”) from 49.65% to 57.00% in connection with FGIC’s 2022 annual revaluation of the CPP under the Plan, effective December 8, 2022. The registered Holders of the Bonds are entitled to receive, in connection with the 2022 CPP Upward Adjustment, an additional cash claim payment of \$33,075 by FGIC in respect of the permitted policy claim referred to above (the “DPO Payment”) and \$4,852.49 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the “DPO Accretion Payment”), in each case as calculated in accordance with the Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Payment to DTC and the DPO Accretion Payment to the Trustee to distribute to the Bondholders.

Notwithstanding the Bond maturity date of 4/1/2017, the Bonds will continue to remain outstanding so that the Bondholders may receive additional amounts, if any, which may be payable from time to time under the FGIC Policy in connection with any further upward adjustment of the CPP, if applicable. However, no assurance can be given as to whether, when or in what amounts the CPP may be further adjusted pursuant to the Plan.

BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 6 - BOND AND NOTE PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued):

“Notice to Holders of Additional Payment in respect of Principal”

January 12, 2024

Brevard County Housing Finance Authority

Single Family Mortgage Revenue Bonds

Series 1985

CUSIP: 107417GK7 (the “Bonds”)

Computershare Trust Company, National Association, acts as successor trustee (the “Trustee”) for the holders of the above-mentioned bonds (the “Bonds”) issued under a Trust Indenture (the “Indenture”) between Barnett Banks Trust Company, N.A. and Brevard County Housing Finance Financing Authority as issuer dated as of October 1, 1985. Capitalized terms not defined in this Notice have the meanings assigned to them in the Indenture.

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company (“FGIC”), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC’s First Amended Plan of Rehabilitation dated June 4, 2013 (the “Plan”, and such policy as modified by the Plan being the “FGIC Policy”), a claim for the \$450,000 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 57.00% (FGIC’s adjusted cash payment percentage (referred to as the “CPP”) under the Plan as of the December 8, 2022 effective date of the upward adjustment of the CPP in connection with FGIC’s 2022 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the “Fiscal Agent”), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payments to The Depository Trust Company (“DTC”), as the registered Holder of the Bonds.

FGIC announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the “2023 CPP Upward Adjustment”) from 57.00% to 61.11% in connection with FGIC’s 2023 annual revaluation of the CPP under the Plan, effective November 8, 2023. The registered Holders of the Bonds are entitled to receive, in connection with the 2023 CPP Upward Adjustment, an additional cash claim payment of \$18,495 by FGIC in respect of the permitted policy claim referred to above (the “DPO Payment”) and \$3,288.05 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the “DPO Accretion Payment”), in each case as calculated in accordance with the Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Payment to DTC and the DPO Accretion Payment to the Trustee to distribute to the Bondholders.

**BREVARD COUNTY HOUSING FINANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 6 - BOND AND NOTE PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued):

Notwithstanding the Bond maturity date of 4/1/2017, the Bonds will continue to remain outstanding so that the Bondholders may receive additional amounts, if any, which may be payable from time to time under the FGIC Policy in connection with any further upward adjustment of the CPP, if applicable. However, no assurance can be given as to whether, when or in what amounts the CPP may be further adjusted pursuant to the Plan.

NOTE 7 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of assets, errors and omissions, personal injury, and natural disasters. As a dependent special district, the Authority is insured under Brevard County's insurance plan. The coverage is provided at no cost to the Authority. In the past three years, there have been no claims settled exceeding the insurance coverage. As of September 30, 2025, there were no outstanding claims.

NOTE 8 - HILLSBOROUGH 2012 MBS ORIGATION PROGRAM

On September 14, 2012, the Authority entered an interlocal agreement with the Housing Finance Authority of Hillsborough County, Florida ("Hillsborough HFA"). Pursuant to the interlocal agreement, the Hillsborough HFA is authorized to operate its 2012 MBS Origination Program (aka, the TBA Program or Continuous Funding Program) within Brevard County, Florida. The Authority's intent is to provide financing for homes to persons whose family annual income does not exceed certain limits and who might not otherwise be able to purchase a home. The Authority agreed to fund a revolving pool of moneys of up to \$1,250,000 to finance mortgages to be used by homebuyers in Brevard County. With existing private activity bond allocation, the Authority agreed to secure mortgage credit certificate authority and take such steps and enter into such agreements necessary to enable loans made under the 2012 MBS Origination Program in Brevard County to receive such credits in lieu of tax exempt bond financing ("Mortgage Credit Certificate Program"). The Authority also agreed to provide up to \$250,000 (subsequently increased to \$2,695,169) for a down payment and closing cost assistance program, which will be linked to the above mentioned 2012 MBS Origination Program, to be used by buyers of homes in Brevard County.

The down payment and closing cost assistance was structured to provide non-amortizing second mortgage loans limited to \$10,000 for each borrower. The amount of down payment and closing cost assistance was reduced to \$7,500 effective October 1, 2018, and then increased to \$15,000 on June 22, 2022. During fiscal year 2025, the number of mortgage loans originated in Brevard County totaled forty six. During fiscal year 2025, the number of mortgage loans originated in Brevard County, securitized as TBA Program mortgage-backed securities ("MBS"), and sold by the Hillsborough HFA totaled thirty-seven. The Authority and the Hillsborough HFA have agreed to share the profits and losses associated with the sale by the Hillsborough HFA of the mortgage-backed securities, which include Brevard County loans. During fiscal year 2025, the income (i.e., MBS sales profits, net of any losses) recognized by the Authority in connection with the TBA Program was \$83,858. The income has been classified as "TBA Program income" in the accompanying basic financial statements.

OTHER REPORTS



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

Board of Directors
Brevard County Housing Finance Authority
Melbourne, 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 Brevard County Housing Finance Authority (the “Authority”), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated April 22, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 Authority'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.

A handwritten signature in cursive script, appearing to read "Saltmarsh".

Pensacola, Florida
April 22, 2026



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

Board of Directors
Brevard County Housing Finance Authority
Melbourne, Florida

We have examined the Brevard County Housing Finance Authority's (the "Authority's") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on 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, 2025.

This report is intended solely for the information and use of the Authority and the Auditor General, State of Florida, and is not intended and should not be used by anyone other than these specified parties.

Pensacola, Florida
April 22, 2026



MANAGEMENT LETTER

Board of Directors
Brevard County Housing Finance Authority
Melbourne, Florida

Report on the Financial Statements

We have audited the financial statements of Brevard County Housing Finance Authority (the “Authority”) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 22, 2026.

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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and our 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 April 22, 2026, 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 financial audit report. No such matters were reported in the preceding financial 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 the management letter, unless disclosed in the notes to the financial statements. This information is included in the notes to the financial statements. There are no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific 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 review of financial information provided by same.

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information - Dependent Special District

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Authority reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year was zero (0).
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year was one (1).
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$95,733.

Specific Information - Dependent Special District (Continued)

- c. There were no construction projects with a total cost of at least \$65,000 approved by the district that are scheduled to begin on or after October 1 of the fiscal year being reported.
- d. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, was a favorable variance of \$225,194.

Property Assessed Clean Energy (PACE) Programs

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires us to report whether the Authority operated a Property Assessed Clean Energy (PACE) program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes. For the year ended September 30, 2025, the Authority did not operate a PACE program within its geographical boundaries.

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, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Pensacola, Florida
April 22, 2026