HOUSING FINANCE AUTHORITY OF BROWARD COUNTY 2018 FINANCIAL REPORTS

VOLUME II

S. Davis & Associates, P.A.
Certified Public Accountants & Consultants

INDEX

MULTI FAMILY ISSUES

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA
1996 SERIES MULTIFAMILY HOUSING
REVENUE REFUNDING BOND PROGRAM FUNDS
(BANYAN BAY PROJECT)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

S. Davis & Associates, P.A.
Certified Public Accountants & Consultants

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
1996 SERIES MULTIFAMILY HOUSING
REVENUE REFUNDING BOND PROGRAM FUNDS
(BANYAN BAY PROJECT)
SEPTEMBER 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Housing Finance Authority
of Broward County, Florida

We have audited the accompanying financial statements of the Housing Finance Authority of Broward County, Florida, 1996 Series Multifamily Housing Revenue Bond Program Funds (Banyan Bay Project) (the "Bond Program") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Bond Program's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Finance Authority of Broward County, Florida, 1996 Series Multifamily Housing Revenue Bond Program Funds (Banyan Bay Project) as of September 30, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019 on our consideration of the Housing Finance Authority of Broward County, Florida, 1996 Series Multifamily Housing Revenue Bond Program Funds (Banyan Bay Project) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bond Program's internal control over financial reporting and compliance.

S. Davis & Associates, P.A.

Hollywood, Florida
June 14, 2019

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
1996 SERIES MULTIFAMILY HOUSING
REVENUE REFUNDING BOND PROGRAM FUNDS
(BANYAN BAY PROJECT)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

Assets		
Current Assets:		
Cash and cash equivalents	$	4,384
Total current assets		4,384
Non-current assets (restricted):		
Cash and cash equivalents		151
Due from Developer		164,498
Note receivable from Developer		23,004,885
Total non-current assets		23,169,534
Total assets		23,173,918
Liabilities		
Current Liabilities:		
Accrued bond interest payable		144,307
Other accrued liabilities		24,575
Total current liabilities		168,882
Non-current liabilities:		
Deposits in escrow		151
Bond payable		23,004,885
Total non-current liabilities		23,005,036
Total liabilities		23,173,918
Net Position	$	-

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
1996 SERIES MULTIFAMILY HOUSING
REVENUE REFUNDING BOND PROGRAM FUNDS
(BANYAN BAY PROJECT)
STATEMENT OF REVENUE, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Revenue	
Interest income on mortgage note receivable	$ 1,958,847
Other income	52,736
Total Revenue	2,011,583
Expenses	
Bond interest	1,958,847
General and administrative	52,736
Total Expenses	2,011,583
Change in net position	-
Net position – beginning of year	-
Net position – end of year	$ -

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
1996 SERIES MULTIFAMILY HOUSING
REVENUE REFUNDING BOND PROGRAM FUNDS
(BANYAN BAY PROJECT)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Cash flows from operating activities:		
Cash paid for general and administrative expenses	$	(52,736)
Other cash receipts		52,321
Net cash used in operating activities		(415)
Cash flows from investing activities:		
Interest received on note receivable		1,755,741
Net cash provided by investing activities		1,755,741
Cash flows from noncapital and related financing activities:		
Interest payments on bonds payable		(1,755,741)
Net cash used in non-capital and related financing activities		(1,755,741)
Decrease in cash and cash equivalents		(415)
Cash and cash equivalents, beginning of year		4,799
Cash and cash equivalents, end of year	$	4,384
Reconciliation of change in net position to net cash provided by (used in) operating activities:		
Change in net position	$	-
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Bond interest expense		1,958,847
Interest income on note receivable		(1,958,847)
Amortization of discount on note receivable from developer		203,106
Amortization of discount on bonds payable		(203,106)
Decrease (increase) in certain assets:		
Other assets		(415)
Net cash used in operating activities	$	(415)

See notes to financial statements.

NOTE 1 – ORGANIZATION AND PURPOSE

The Housing Finance Authority of Broward County (the "Authority") was established in 1979 by the Board of County Commissioners for the purpose of encouraging the investment of private capital and stimulating the construction of residential housing for low and moderate income families through the use of public financing. The Authority is authorized, under Section 159 of *Florida Statutes*, to issue bonds to fulfill its corporate purpose in principal amounts specifically authorized by the County Commissioners. Amounts issued by the Authority shall not be deemed to constitute a debt of the County, the State of Florida, or any political subdivision thereof.

The 1985 Series Banyan Bay Project Guaranteed Multifamily Housing Revenue Bonds (the "1985 Series Bonds") were originally issued to finance a loan (the "Lender Loan") between the Authority and Lincoln Savings & Loan Association (the "Original Lender"). The Original Lender used the proceeds of the Lender Loan to make a development loan to Banyan Bay, Ltd., a Georgia limited partnership (the "Original Developer"), for the acquisition and construction of a multifamily rental housing development in Broward County, Florida. The Original Lender has assigned all rights under the development loan to the Authority.

On October 5, 1989, the Original Lender was closed by order of the Office of Thrift Supervision. The Resolution Trust Corporation was appointed as Receiver. The Lincoln Federal Savings and Loan Association (the "New Thrift") was formed. The New Thrift assumed all responsibilities and commitments as lender under this bond program. The Office of Thrift Supervision appointed the Resolution Trust Corporation as Conservator of the New Thrift.

On April 1, 1991, Mutual Benefit Life Insurance Company ("Mutual Benefit") assumed all responsibilities and commitments as lender under this bond program. Mutual Benefit was also the Guarantor and the ultimate parent of the Original Developer's sole general partner, Muben Realty Company. The 1985 Series Bonds were originally backed by the payments pursuant to the loan agreement, a mortgage note on the housing development, and a guaranty by Mutual Benefit.

On July 16, 1991, Mutual Benefit (the "Lender" and "Guarantor") was taken over by the State Insurance Commissioner of New Jersey for the purpose of undergoing rehabilitation.

During 1991, The Bank of New York Trust Company (the "Trustee") was advised that the rating on the 1985 Series Bonds, determined by a review of the Guarantor, had been suspended by Standard and Poor's Corporation. In addition, the remarketing agent for the 1985 Series Bonds notified the Trustee of intent to resign. The resignation became effective upon the appointment of a successor remarketing agent.

NOTE 1 - ORGANIZATION AND PURPOSE – Continued

On December 5, 1991, the Trustee of the 1985 Series Bonds advised the bondholders that the rehabilitation proceedings did not appear to constitute an event of default pursuant to Section 6.01 of the mortgage with the Original Developer unless the Guarantor failed to make a required payment under the 1985 Series Bond or the guaranty. As a result, the Trustee did not believe any action could be taken against the Project at that time.

On January 13, 1992, the Trustee of the 1985 Series Bonds notified the bondholders that a Standstill Agreement with the Guarantor's Deputy Rehabilitator had been approved. The Standstill Agreement provided, among other things, that the Original Developer would remit interest payments on a monthly basis rather than semi-annually. The Standstill Agreement expired August 15, 1992. The Trustee was advised that the Standstill Agreement would not be extended. All payments were made pursuant to the Standstill Agreement.

On August 3, 1992, the Rehabilitator filed the Plan of Rehabilitation (the "Plan") of Mutual Benefit with the New Jersey Court. On January 15, 1993, the Rehabilitator filed an Amended Plan of Rehabilitation (the "Amended Plan") with the New Jersey Court. The Plan and Amended Plan were not approved by the New Jersey Court in entirety.

On April 28, 1994, the Trustee of the 1985 Series Bonds notified the bondholders that the Trustee executed a Modification Agreement between the Trustee, the Original Developer, and Mutual Benefit on April 21, 1994. As a result of the Modification Agreement, which required bondholder approval, the Original Developer ceased making semi-annual interest payments pursuant to the current debt service requirements of the note receivable. In lieu of the scheduled semi-annual payments, the Original Developer remitted monthly payments from available cash flow, as defined, to cover debt service requirements, including Base Interest (5.03% per annum), Contingent Interest (1.48% per annum for the first seven years and 3.77% per annum thereafter), and Principal Payments on the note receivable, as defined in the Modification Agreement.

The Modification Agreement, among other things, provided optional methods to restructure the 1985 Series Bonds, refund the 1985 Series Bonds, extend the maturity of the 1985 Series Bonds, or otherwise provide payment to bondholders. The Modification Agreement was subject to approval by the bondholders, although the Original Developer commenced making payments pursuant to the Modification Agreement in 1994.

NOTE 1 - ORGANIZATION AND PURPOSE – Continued

As a result of the rehabilitation proceedings, the guaranty by Mutual Benefit was treated as a general unsecured claim. As a result, the bondholders were awarded a pro rata interest in the stock trust that holds the common stock of a former subsidiary of Mutual Benefit that liquidated.

On October 16, 1995, the Trustee executed settlement documents ("the Settlement Agreements") with, among other parties, the Original Developer, MBL Life Assurance Corporation, and Mutual Benefit. The Settlement Agreements collectively provide for the disposition of the 1985 Series Bonds and/or Project to be accomplished by a prepackaged bankruptcy of the Original Developer. On October 17, 1995, counsel for the Original Developer filed a petition with the Rehabilitation Court seeking approval of the Original Developer to reorganize the debt or dispose of the 1985 Series Bonds and/or Project as described in the Settlement Agreements.

On December 13, 1995, as part of a Prepackaged Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code (the "Prepackaged Plan"), the Authority adopted a Resolution authorizing the issuance of the 1996 Series Multifamily Housing Revenue Refunding Bonds to effect the refinancing of the 1985 Series Bonds. In January 1996, the Prepackaged Plan was filed and provided for the resolution of the bondholders' claims and for the settlement of disputes, litigation, and pending litigation arising from, among other things, defaults of the Original Developer and Mutual Benefit under the 1985 Series Bonds. In March 1996, the Original Developer's Prepackaged Plan was confirmed by the United States Bankruptcy Court.

On May 2, 1996, in connection with the restructuring, $24,528,181 in Series 1996 A and B Multifamily Housing Revenue Refunding Bonds (the "Series 1996 A Bonds" and the "Series 1996 B Bonds", respectively, and collectively the "1996 Series Bonds") were issued to provide for the refunding of the outstanding principal and interest on the 1985 Series Bonds. On the refunding date, Banyan Bay, Ltd. merged into Consolidated Apartment Ventures, L.P.

On June 18, 1996, also in connection with the restructuring under the Prepackaged Plan, GE-BCC L.P. purchased the 1996 Series Bonds at a discount for the total amount of $18,479,003 from Mutual Benefit, the former lender and guarantor of the 1985 Series Bonds. GE-BCC L.P. was a limited partnership affiliated with Mutual Benefit and the Developer, and was also the Sole General Partner of GEBAM Tax Exempt, L.P. ("GEBAM") which provides certain services relating to the 1996 Series Bonds.

On June 22, 1999, Banyan Bay Apartments was sold to CGL Banyan Bay, L.P., a Delaware limited partnership (the “Developer”), that assumed the financing agreement and the mortgage obligations of the former owner, Consolidated Apartments Venture, L.P. On the same date, the Bonds which were held by GE-BCC L.P. were sold to Merrill Lynch Portfolio Management, Inc., a Delaware corporation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 1996 Series Banyan Bay Project Multifamily Housing Revenue Refunding Bond Program Funds (the "Bond Program Funds") were created pursuant to the 1996 Series Bond Resolution, to account for the debt service requirements of the Bond indebtedness, and the redemption of the 1985 Series Bonds. These financial statements reflect only the activities of the funds created pursuant to the Bond Resolution and do not reflect the operations of the underlying project of the Developer.

Basis of accounting

The Bond Program Funds use the accrual basis of accounting.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 during the reporting periods. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid debt instruments with an original maturity of three months or less when purchased to be cash and cash equivalents.

Other asset/liability

Other asset/liability represents the cumulative results of operations of the bond issue which is due from/due to the Developer upon maturity of the bond program fund.

Net position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Upon redemption of the Bonds, any remaining assets will be refunded to the Authority for use in future issues.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Date of management's review

Management has evaluated subsequent events through June 14, 2019, the date on which the financial statements were available to be issued.

NOTE 3 – CASH AND CASH EQUIVALENTS

Investments permitted by the Bond Program Funds are governed by certain provisions of the Trust Indenture that includes language that limits credit and custodial risk, concentration of credit risk, interest rate risk and foreign currency risk as defined in GASB Statement No. 40.

NOTE 4 – MORTGAGE NOTE RECEIVABLE FROM DEVELOPER

As of September 30, 2018, the Bond Program Funds had a non-recourse note receivable from the Developer in the amount of $24,528,181. The Developer is obligated under the loan to make payments which will be sufficient to pay the principal and interest on the 1996 Series Bonds when due. The loan requires monthly payments of interest to be deposited by the Developer.

The principal will be due and payable when payments become due on the 1996 Series Bonds at the maturity or redemption.

The note receivable from the Developer is shown net of an unamortized discount of $1,523,296 as of September 30, 2018. The discount is associated with the discount recorded upon the refunding of the 1985 Series Bonds and will be amortized over the remaining term of the note receivable from Developer.

The Developer has also agreed to pay all reasonable costs and expenses associated with the 1996 Series Bonds, including Trustee and Authority fees and expenses.

NOTE 5 – BONDS PAYABLE

In May 1996, the Authority issued $24,528,181 of Series 1996 A Bonds and Series 1996 B Bonds. The Series 1996 A Bonds were issued in the amount of $23,000,000 to provide for the refunding of the outstanding principal portion of the 1985 Series Bonds. The Series 1996 B Bonds are taxable bonds and were issued in the amount of $1,528,181 to provide for the payment of a portion of the accrued and unpaid interest on the 1985 Series Bonds.

The 1996 Series Bonds are due April 1, 2026.

NOTE 5 – BONDS PAYABLE - Continued

The 1996 Series Bonds shall bear interest at the bond rate that is in effect from time to time in accordance with the Trust Indenture. The Trust Indenture provides for interest to be determined using various methods over specified periods including the Initial Rate Period, the GEBAM Rate Period, and the Floating Rate Period.

The Initial Rate Period was from May 2, 1996 through June 18, 1996. During this period, the 1996 Series Bonds bore interest at a fixed rate of 7.06% per annum. The GEBAM Rate Period became effective June 18, 1996 and remains in effect until the 1996 Series Bonds are sold by GEBAM, an entity for which the Bondholder is the Sole General Partner (see Note 1). During this period, the 1996 Series Bonds shall bear interest at a variable rate determined weekly by an indexing agent and subject to a ceiling and floor with a pay rate and an accrual rate.

The interest calculated at the pay rate shall be payable on the first business day of each calendar month. Amounts calculated under the accrual rate in excess of amounts paid monthly shall be deferred and will continue bearing interest at the variable rate until such amounts are paid, before or on the purchase of the 1996 Series Bonds, as required under the Trust Indenture. The 1996 Series Bonds payable at September 30, 2018 of $24,528,181 are shown net of an unamortized discount of $1,523,296 which is being amortized over the remaining life of the 1996 Series Bonds. The interest rate at September 30, 2018 was 7.06%.

Should the 1996 Series Bonds be subsequently purchased in accordance with the provision of the Trust Indenture, the 1996 Series Bonds shall bear interest during the Floating Rate Period at a variable rate payable the first business day of each calendar month as determined by a remarketing agent. The variable rate is subject to conversion to a fixed rate at the election of the Developer. Upon conversion to a fixed rate, the interest shall be payable semi-annually on April 1 and October 1.

NOTE 5 – BONDS PAYABLE - Continued

The maturing principal and interest of the outstanding Bonds are as follows:

Year Ending September 30:	Principal	Interest	Total
2019	$ -	$ 1,755,741	$ 1,755,741
2020	-	1,760,551	1,760,551
2021	-	1,755,741	1,755,741
2022	-	1,755,741	1,755,741
2023	-	1,755,741	1,755,741
2024-2026	24,528,181	4,536,065	29,064,246
Total	$ 24,528,181	$ 13,319,579	$ 39,847,760

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bond Payable	$ 24,528,181	$ -	$ -	$ 24,528,181	$ -

The 1996 Series Bonds are subject to redemption, in whole or in part at the option of the Developer from prepayments of the development loan, at prices ranging from 100% to 102% of par value, plus accrued interest to the redemption date. The 1996 Series Bonds are also subject to mandatory redemption upon conversion to a fixed rate or the variable rate during the Floating Rate Period. Further, the Developer shall obtain the prior written consent of the bondholders, or of its affiliates, during the GEBAM Rate Period, for any redemption.

NOTE 5 – BONDS PAYABLE - Continued

The 1996 Series Bond Trust Indenture established certain reserve accounts held by the Trustee and determined the order in which revenues are to be deposited in these accounts. Debt service on the 1996 Series Bonds and related expenses are paid through these accounts, which are managed by the Trustee.

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

To the Board of Directors
of the Housing Finance Authority
of Broward County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Finance Authority of Broward County, Florida, 1996 Series Multifamily Housing Revenue Bond Program Funds (Banyan Bay Project) (the "Bond Program"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Bond Program's basic financial statements, and have issued our report thereon dated June 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bond Program'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 Bond Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bond Program'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 Bond Program's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Finance Authority of Broward County, Florida, 1996 Series Multifamily Housing Revenue Bond Program Funds (Banyan Bay Project) financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of law, 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 Bond Program'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 Bond Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

S. Davis & Associates, P.A.

Hollywood, Florida
June 14, 2019

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA
1996 SERIES MULTIFAMILY HOUSING
REVENUE REFUNDING BOND PROGRAM FUNDS
(LOS PRADOS PROJECT)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

SDA
S. Davis & Associates, P.A.
Certified Public Accountants & Consultants

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
1996 SERIES MULTIFAMILY HOUSING
REVENUE REFUNDING BOND PROGRAM FUNDS
(LOS PRADOS PROJECT)
SEPTEMBER 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Housing Finance Authority
of Broward County, Florida

We have audited the accompanying financial statements of the Housing Finance Authority of Broward County, Florida, 1996 Series Multifamily Housing Revenue Bond Program Funds (Los Prados Project) (the "Bond Program") as of and for the year ended September 30, 2018, and the related statements of revenue, expenses, changes in net position and cash flows and the related notes to the financial statements, which collectively comprise the Bond Program's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Finance Authority of Broward County, Florida, 1996 Series Multifamily Housing Revenue Bond Program Funds (Los Prados Project) as of September 30, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019 on our consideration of the Housing Finance Authority of Broward County, Florida, 1996 Series Multifamily Housing Revenue Bond Program Funds Los Prados Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bond Program's internal control over financial reporting and compliance.

S. Davis & Associates, P.A.

Hollywood, Florida
June 14, 2019

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
1996 SERIES MULTIFAMILY HOUSING
REVENUE REFUNDING BOND PROGRAM FUNDS
(LOS PRADOS PROJECT)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

Assets		
Current Assets:		
Cash and cash equivalents	$	10,122
Interest receivable		201,301
Total current assets		211,423
Non-current assets (restricted):		
Cash and cash equivalents		233
Due from developer		16,294
Note receivable, net		27,995,388
Total non-current assets (restricted)		28,011,915
Total assets		28,223,338
Liabilities		
Current Liabilities:		
Accrued interest payable		201,301
Other accrued liabilities		26,416
Deposits in escrow		233
Total current liabilities		227,950
Non-current liabilities:		
Bond payable, net		27,995,388
Total non-current liabilities		27,995,388
Total liabilities		28,223,388
Net Position	$	-

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
1996 SERIES MULTIFAMILY HOUSING
REVENUE REFUNDING BOND PROGRAM FUNDS
(LOS PRADOS PROJECT)
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Revenue		
Interest income on note receivable	$	2,629,948
Other Income		60,983
Total revenue		2,690,931
Expenses		
Bond interest		2,629,948
General and administrative		60,983
Total expenses		2,690,931
Change in net position		-
Net position – beginning of year		-
Net position – end of year	$	-

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
1996 SERIES MULTIFAMILY HOUSING
REVENUE REFUNDING BOND PROGRAM FUNDS
(LOS PRADOS PROJECT)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Cash flows from operating activities:		
Cash paid for general and administrative expenses	$	(61,832)
Other cash receipts		60,983
Net cash used in operating activities		(849)
Cash flows from investing activities:		
Interest received on note receivable		2,449,161
Net cash provided by investing activities		2,449,161
Cash flows from noncapital and related financing activities:		
Interest paid on bonds payable		(2,449,161)
Net cash used in non-capital and related financing activities		(2,449,161)
Decrease in cash and cash equivalents		(849)
Cash and cash equivalents, beginning of year		10,971
Cash and cash equivalents, end of year	$	10,122
Reconciliation of change in net position to net cash provided by (used) in operating activities:		
Change in net position	$	-
Adjustments to reconcile the change in net position to net cash provided by operating activities:		
Bond interest expense		2,629,948
Interest income on note receivable		(2,629,948)
Amortization of discount on note receivable		180,787
Amortization of discount on note payable		(180,787)
Increase in other assets		(849)
Restricted cash		(3)
Increase in certain liabilities (Deposit to escrow)		3
Net cash used in operating activities	$	(849)

See notes to financial statements.

NOTE 1 – ORGANIZATION AND PURPOSE

The Housing Finance Authority of Broward County (the "Authority") was established in 1979 by the Board of County Commissioners for the purpose of encouraging the investment of private capital and stimulating the construction of residential housing for low and moderate income families through the use of public financing. The Authority is authorized, under Section 159 of *Florida Statutes*, to issue bonds to fulfill its corporate purpose in principal amounts specifically authorized by the County Commissioners. Amounts issued by the Authority shall not be deemed to constitute a debt of the County, the State of Florida, or any political subdivision thereof.

The 1985 Series Los Prados Project Guaranteed Multifamily Housing Revenue Bonds (the "1985 Series Bonds") were originally issued to finance a loan between the Authority and Lincoln Savings and Loan Association (the "Original Lender"). The Original Lender used the proceeds of the loan to make a development loan to Los Prados, Ltd., a Georgia limited partnership (the "Original Developer"), for the acquisition and construction of a low to moderate income rental housing development (the “Project”) in Broward County, Florida. The Original Lender assigned all rights under the development loan to the Authority.

On October 5, 1989, the Original Lender was closed by order of the Office of Thrift Supervision. The Resolution Trust Corporation was appointed as Receiver. The Lincoln Federal Savings and Loan Association (the "New Thrift") was formed. The New Thrift assumed all responsibilities and commitments as lender under this bond program. The Office of the Thrift Supervision appointed the Resolution Trust Corporation as Conservator of the New Thrift.

On April 1, 1991, Mutual Benefit Life Insurance Company ("Mutual Benefit") assumed all responsibilities and commitments as lender under this bond program. Mutual Benefit was also the Guarantor. The 1985 Series Bonds were originally backed by all monies and investments held by The Bank of New York Trust Company (the “Trustee”), payments pursuant to the Lender Loan, the Development Loan and mortgage on the development and a guaranty of the Development Loan by Mutual Benefit.

On July 16, 1991, Mutual Benefit (the "Lender" and "Guarantor") was taken over by the State Insurance Commissioner of New Jersey for the purpose of undergoing rehabilitation

During 1991, the Trustee of the 1985 Series Bonds was advised that the rating on the 1985 Series Bonds, determined by a review of the Guarantor, had been suspended by Standard and Poor's Corporation. In addition, the remarketing agent for the 1985 Series Bonds notified the Trustee of intent to resign. The resignation became effective upon the appointment of a successor remarketing agent.

NOTE 1 – ORGANIZATION AND PURPOSE - Continued

On December 5, 1991, the Trustee of the 1985 Series Bonds advised the bondholders that the rehabilitation proceedings did not appear to constitute an event of default pursuant to Section 8.01 of the mortgage with the Original Developer unless the Guarantor failed to make a required payment under the 1985 Series Bonds or the Guaranty. As a result, the Trustee did not believe any action could be taken against the Project at that time.

On January 13, 1992, the Trustee of the 1985 Series Bonds notified the bondholders that a Standstill Agreement with the Guarantor's Deputy Rehabilitator had been approved. The Standstill Agreement provided, among other things, that the Original Developer would remit interest payments on a monthly basis rather than semi-annually. The Standstill Agreement expired August 15, 1992 and the Trustee was advised that the Standstill Agreement would not be extended. All payments were made pursuant to the Standstill Agreement.

On August 3, 1992, the Rehabilitator filed the Plan of Rehabilitation (the "Plan") of Mutual Benefit with the New Jersey Court. On January 15, 1993, the Rehabilitator filed an Amended Plan of Rehabilitation (the "Amended Plan") with the New Jersey Court. The Plan and Amended Plan were not approved by the New Jersey Court in entirety.

On April 28, 1994, the Trustee of the 1985 Series Bonds notified the bondholders that the Trustee executed a Modification Agreement between the Trustee, the Original Developer, and Mutual Benefit on April 21, 1994. As a result of the Modification Agreement which required bondholder approval, the Original Developer ceased making semi-annual interest payments pursuant to the current debt service requirements of the note receivable. In lieu of the scheduled semi-annual payments, the Original Developer remitted monthly payments from Available Cash Flow, as defined, to cover debt service requirements, including Base Interest (5.35% per annum), Contingent Interest (1.6% per annum for the first seven years, and 4.01% per annum thereafter), and Principal Payments on the note receivable, as defined in the Modification Agreement.

The Modification Agreement provided, among other things, optional methods to restructure the 1985 Series Bonds, refund the 1985 Series Bonds, extend the maturity of the 1985 Series Bonds, or otherwise provide payment to bondholders. The Modification Agreement was subject to approval by the bondholders. The Original Developer commenced making payments pursuant to the Modification Agreement in 1994.

As a result of the rehabilitation proceedings, the guaranty by Mutual Benefit was treated as a general unsecured claim. As such, the bondholders were awarded a pro rata interest in the stock trust which held the common stock of a former subsidiary of Mutual Benefit that.

NOTE 1 – ORGANIZATION AND PURPOSE - Continued

On October 16, 1995, the Trustee executed settlement documents (the "Settlement Agreements") with, among other parties, the Original Developer, MBL Life Assurance Corporation, and Mutual Benefit. The Settlement Agreements collectively provided for the disposition of the 1985 Series Bonds and/or Project to be accomplished by a prepackaged bankruptcy of the Original Developer. On October 17, 1995, counsel for the Original Developer filed a petition with the Rehabilitation Court seeking approval of the Original Developer's intent to reorganize the debt or dispose of the 1985 Series Bonds and/or the Project as described in the Settlement Agreements.

On December 13, 1995, as part of a Prepackaged Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code (the "Prepackaged Plan"), the Authority adopted a Resolution authorizing the issuance of the 1996 Series Multifamily Housing Revenue Refunding Bonds to effect the refinancing of the 1985 Series Bonds. In January 1996, the Prepackaged Plan was filed and provided for the resolution of the bondholders' claims and for the settlement of disputes, litigation, and pending litigation arising from, among other things, default of the Original Developer and Mutual Benefit under the 1985 Series Bonds. In March 1996, the Original Developer's Prepackaged Plan was confirmed by the United States Bankruptcy Court.

On May 2, 1996, in connection with the restructuring, $29,351,292 in Series 1996 A and B Multifamily Housing Revenue Refunding Bonds Series 1996 A and B (the "Series 1996 A Bonds" and the "Series 1996 B Bonds," respectively, and collectively the "1996 Series Bonds") were issued to provide for the refunding of the outstanding principal and interest on the 1985 Series Bonds. On the refunding date, Los Prados, Ltd. merged into Consolidated Apartment Ventures, L.P. (the "Developer"). On June 18, 1996, also in connection with the restructuring under the Prepackaged Plan, GE-BCC, L.P. purchased the 1996 Series Bonds from Mutual Benefit, the former lender and guarantor of the 1985 Series Bonds. GE-BCC, L.P. was a limited partnership affiliated with Mutual Benefit and the Developer, and was also the Sole General Partner of GEBAM Tax Exempt, L.P. ("GEBAM") which provides certain services relating to the 1996 Series Bonds.

On June 22, 1999, Los Prados Apartments was sold to CGL Los Prados, L.P., a Delaware limited partnership, which assumed the financing agreement and the mortgage obligations of the former owner, Consolidated Apartment Ventures, L.P. On the same date, the 1996 Series Bonds which were held by GE-BCC, L.P. were sold to Merrill Lynch Portfolio Management, Inc., a Delaware corporation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 1996 Series Los Prados Project Multifamily Housing Revenue Refunding Bond Program Funds (the "Bond Program Funds") were created pursuant to the Bond Resolution, to account for the debt service requirements of the 1996 Series Bond indebtedness, and the redemption of the 1985 Bonds. These financial statements reflect only the activities of the funds created pursuant to the Bonds Resolution and do not reflect the operations of the underlying project of the Developer.

Basis of accounting

The Bond Program Funds use the accrual basis of accounting.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid debt instruments with an original maturity of three months or less at the time of purchase to be cash and cash equivalents.

Other asset

Other asset represents the cumulative results of operations of the bond issue which may be remitted to the Developer upon maturity of the bond program fund.

Net position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Date of management's review

Management has evaluated subsequent events through June 14, 2019, the date on which the financial statements were available to be issued.

NOTE 3 – INVESTMENTS, CASH AND CASH EQUIVALENTS

Investments, which are included in cash equivalents at September 30, 2018, represent the Bond Program Funds' ownership interest in money market accounts held by the Trustee.

Investment risk

Investments permitted by the Bond Program Funds are stipulated in agreements with the Authority for the benefit of the Bond Program Funds that include language that limits credit and custodial risk, concentration of credit risk, interest rate risk and foreign currency risk as defined in GASB Statement No. 40.

NOTE 4 – NOTE RECEIVABLE FROM DEVELOPER

As of September 30, 2018, the Bond Program Funds had a non-recourse note receivable from the Developer in the amount of $29,351,292. The Developer is obligated under the loan to make payments which will be sufficient to pay the principal and interest on the 1996 Series Bonds when due. The loan requires monthly payments of interest to be deposited by the Developer. The principal on the 1996 Series Bonds will be due and payable when payments are due at maturity or redemption.

The Note, as of September 30, 2018, is shown net of an unamortized discount of $1,355,904. The discount is associated with the discount recorded upon the refunding of the 1985 Series Bonds and will be amortized over the remaining life of the Note from the Developer.

The Developer has also agreed to pay all reasonable costs and expenses associated with the 1996 Series Bonds, including Trustee and Authority fees and expenses.

NOTE 5 – BONDS PAYABLE

In May 1996, the Authority issued $29,351,292 of the Series 1996 A Bonds and the Series 1996 B Bonds. The Series 1996 A Bonds were issued in the amount of $26,600,000 to provide for the refunding of the outstanding principal portion of the 1985 Series Bonds. The Series 1996 B Bonds are taxable Bonds and were issued in the amount of $2,751,292 to provide for the payment of a

NOTE 5 – BONDS PAYABLE - Continued

portion of the accrued unpaid interest on the 1985 Series Bonds. On June 18, 1996, GE-BCC, L.P. purchased the 1996 Series Bonds from Mutual Benefit at a discount in connection with the refunding (see Note 1). The 1996 Series Bonds are due April 1, 2026.

The 1996 Series Bonds shall bear interest at the bond rate that is in effect from time to time in accordance with the Trust Indenture. The Trust Indenture provides for interest to be determined using various methods over specified periods including the Initial Rate Period, the GEBAM Rate Period, and the Floating Rate Period.

The Initial Rate Period was from May 2, 1996 through June 18, 1996. During this period, the 1996 Series Bonds bore interest at a fixed rate of 8.23% per annum. The GEBAM Rate Period became effective June 18, 1996 and remains in effect until the 1996 Series Bonds are sold by GEBAM, an entity for which the bondholder is the Sole General Partner (see Note 1). During this period, the 1996 Series Bonds shall bear interest at a variable rate, determined weekly by an indexing agent and subject to a ceiling and floor with a pay rate and an accrual rate.

The interest calculated at the pay rate shall be payable on the first business day of each calendar month. Amounts calculated under the accrual rate in excess of amounts paid monthly shall be deferred and will continue bearing interest at the variable rate until such amounts are paid, before or on the purchase of the 1996 Series Bonds as required under the Trust Indenture.

The 1996 Series Bonds payable at September 30, 2018, are shown net of an unamortized discount of $1,355,904 which is being amortized over the remaining life of the 1996 Series Bonds. At September 30, 2018, the interest rate was approximately 8.23%.

Should the 1996 Series Bonds be subsequently purchased in accordance with the provisions of the Trust Indenture, the 1996 Series Bonds shall bear interest during the Floating Rate Period at a variable rate payable the first business day of each calendar month as determined by a remarketing agent. The variable rate is subject to conversion to a fixed rate at the election of the Developer. Upon conversion to a fixed rate, the interest shall be payable semi-annually on April 1 and October 1.

The 1996 Series Bonds are subject to redemption, in whole or in part at the option of the Developer from prepayments of the development loan at prices ranging from 100% to 102% of par value, plus accrued interest to the redemption date. The 1996 Series Bonds are also subject to mandatory redemption upon conversion to a fixed rate or the variable rate during the Floating Rate Period. Further, the Developer shall obtain the prior written consent of the bondholder or of its affiliates, during the GEBAM Rate Period, for any redemption.

NOTE 5 – BONDS PAYABLE – Continued

The maturing principal and interest of the outstanding Bonds are as follows:

Year Ending September 30:	Principal	Interest	Total
2019	$ -	$ 2,449,162	$ 2,449,162
2020	-	2,455,872	2,455,872
2021	-	2,449,162	2,449,162
2022	-	2,449,162	2,449,162
2023	-	2,449,162	2,449,162
2024-2026	29,351,292	6,327,560	35,678,852
Total	$ 29,351,292	$ 18,580,077	$ 47,931,369

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bond Payable	$ 29,351,292	$ -	$ -	$ 29,351,292	$ -

The 1996 Series Bond Trust Indenture established certain reserve accounts held by the Trustee and determined the order in which program revenues are to be deposited in the accounts. Debt service on the 1996 Series Bonds and related expenses are paid through these accounts, which are managed by the Trustee.

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

To the Board of Directors
of the Housing Finance Authority
of Broward County, 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 statement of the Housing Finance Authority of Broward County, Florida, 1996 Series Multifamily Housing Revenue Bond Program Funds (Los Prados Apartments Project) (the "Bond Program") , as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Bond Program's basic financial statements, and have issued our report thereon dated June 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bond Program'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 Bond Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bond Program'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 Bond Program's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Finance Authority of Broward County, Florida, 1996 Series Multifamily Housing Revenue Bond Program Funds Los Prados Apartment Project's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of law, 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 Bond Program'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 Bond Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

S. Davis & Associates, P.A.

Hollywood, Florida
June 14, 2019

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA
1998 SERIES A AND B MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(PROSPECT PARK PROJECT)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

S. Davis & Associates, P.A.
Certified Public Accountants & Consultants

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
1998 SERIES A AND B MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(PROSPECT PARK PROJECT)
SEPTEMBER 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Housing Finance Authority
of Broward County, Florida

We have audited the accompanying financial statements of the Housing Finance Authority of Broward County, Florida, 1998 Series A and B Multifamily Housing Revenue Bond Program Funds (Prospect Park Project) (the "Bond Program") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Bond Program's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Finance Authority of Broward County, Florida, 1998 Series A and B Multifamily Housing Revenue Bond Program Funds (Prospect Park Project) as of September 30, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019 on our consideration of the Housing Finance Authority of Broward County, Florida, 1998 Series A and B Multifamily Housing Revenue Bond Program Funds Prospect Park Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bond Program's internal control over financial reporting and compliance.

S. Davis & Associates, P.A.

Hollywood, Florida55
June 14, 2019

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
1998 SERIES A AND B MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(PROSPECT PARK PROJECT)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

Assets		
Current Assets:		
Cash and cash equivalents	$	85,219
Interest receivable		20,458
Total assets		105,677
Non-current assets (restricted):		
Cash and cash equivalents		54,896
Long-term investments		4,687,745
Total non-current assets (restricted)		4,742,641
Total assets		4,848,318
Liabilities		
Current Liabilities:		
Accrued bond interest payable		42,802
Bonds payable – current portion		110,000
Total current liabilities		152,802
Non-current liabilities:		
Other liability		82,620
Deposits in escrow		54,896
Bond payable, net of current portion		4,555,000
Total non-current liabilities		4,695,516
Total liabilities		4,848,318
Net Position	$	-

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
1998 SERIES A AND B MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(PROSPECT PARK PROJECT)
STATEMENT OF REVENUE, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Revenue		
Interest income	$	270,607
Other Income		16,984
Total Revenue		287,591
Expenses		
Bond interest		260,857
Net decrease in fair value of long-term investment		6,081
General and administrative		20,653
Total Expenses		287,591
Change in net position		-
Net position – beginning of year		-
Net position – end of year	$	-

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
1998 SERIES A AND B MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(PROSPECT PARK PROJECT)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Cash flows from operating activities:		
Cash paid for general and administrative expenses	$	(20,653)
Other cash receipts		20,308
Net cash used in operating activities		(345)
Cash flows from investing activities:		
Interest received on investments		272,258
Principal paydowns on long-term investment		110,991
Net cash provided by investing activities		383,249
Cash flows from noncapital and related financing activities:		
Interest on bonds payable		(261,994)
Principal payments on bonds payable		(125,000)
Net cash used in non-capital and related financing activities		(386,994)
Decrease in cash and cash equivalents		(4,090)
Cash and cash equivalents, beginning of year		89,309
Cash and cash equivalents, end of year	$	85,219
Reconciliation of change in net position to net cash used in operating activities:		
Change in net position	$	-
Adjustments to reconcile the change in net position to net cash used in operating activities:		
Bond interest expense		260,857
Interest income on note receivable		(270,607)
Net decrease in the fair value of long-term investments		6,081
Decrease in restricted cash		(595)
Increase in escrow		595
Increase in other liabilities		3,324
Net cash used in operating activities	$	(345)

See notes to financial statements.

NOTE 1 – ORGANIZTION AND PURPOSE

The Housing Finance Authority of Broward County (the "Authority") was established in 1979 by the Board of County Commissioners for the purpose of encouraging the investment of private capital and stimulating the construction of residential housing for low and moderate income families through the use of public financing. The Authority is authorized, under Section 159 of *Florida Statutes*, to issue bonds to fulfill its corporate purpose in principal amounts specifically authorized by the County Commissioners. Amounts issued by the Authority shall not be deemed to constitute a debt of the County, the State of Florida, or any political subdivision thereof.

The 1998 Series A and B Multifamily Housing Revenue Bonds (Prospect Park Project) (the "Bonds") were issued in the amount of $6,000,000 to finance construction of a 125-unit multifamily rental housing development (the "Project") in Broward County, Florida, by Prospect Park Housing Associates, Ltd., a Florida limited partnership (the "Developer").

Such financing is accomplished in part through The Bank of New York Trust Company's (the "Trustee") acquisition of a fully-modified mortgaged backed security by the Government National Mortgage Association (the "GNMA Certificate"), issued by Reilly Mortgage Group, Inc. (the "Lender"), which guarantees timely payment of principal and interest by GNMA. The proceeds of the 1998 Bonds used to acquire the GNMA Certificate were used by the Lender to make a mortgage loan (the "Loan Receivable") to the Developer. The Loan Receivable is evidenced by a nonrecourse note (the "Note") secured by a mortgage (the "Mortgage"). Two types of GNMA Certificates were issued by the Lender in connection with the financing of the Project: (a) Construction Loan Certificates ("CLCs") which were issued with respect to the construction loan advances under the Loan Receivable, and (b) a Permanent Loan Certificate ("PLC") which was issued with respect to the permanent Loan Receivable.

The Bonds are backed by the payments pursuant to the Loan Receivable, all the amounts held by the Trustee, and payments under the GNMA Certificate.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 1998 Series A and B Prospect Park Project Multifamily Housing Revenue Bond Program Funds (the "Bond Program Funds") were created pursuant to the Bond Resolution to account for the proceeds from the sale of the Bonds, the debt service requirements of the Bond indebtedness, and the loan to the Developer made with the Bond proceeds. These financial statements reflect only the activities of the funds created pursuant to the Bond Resolution and do not reflect the operations of the underlying project of the Developer.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of accounting

The Bond Program Funds use the accrual basis of accounting.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Cash equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid instruments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Restricted cash equivalents/deposits in escrow

Restricted cash equivalents represent amounts held by the Trustee and received from the Developer to provide for a reserve for the indemnification of the Authority. Such amounts are classified as restricted cash with a corresponding liability included in deposits in escrow in the accompanying statement of net position. Restricted cash equivalents balances are not included on the Statement of Cash Flows.

Other liability

Other liability represents the cumulative results of operations of the bond issue which may be remitted to the Developer upon maturity of the bond program fund. The Developer has agreed to pay all reasonable costs and expenses associated with the Bonds, including Trustee and Authority fees and expenses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Upon redemption of the Bonds, any remaining assets will be refunded to the Authority for use in future issues.

Date of management's review

Management has evaluated subsequent events through June 14, 2019, the date on which the financial statements were available to be issued.

NOTE 3 – INVESTMENTS, CASH AND CASH EQUIVALENTS

Investments, which are included in cash equivalents at September 30, 2018, represent the Bond Program Funds' ownership interest in the investment agreement and money market accounts held by the Trustee.

Investment risk

The Bond Program Funds investment policy includes language that limits credit and custodial risk, concentration of credit risk, interest rate risk, and foreign currency risk as defined in GASB Statement No. 40. The GNMA Certificates are collateralized and insured and are not subject to credit and custodial risk, concentration of credit risk, interest rate risk or foreign currency risk as defined in GASB Statement No. 40.

NOTE 4 – FAIR VALUE MEASUREMENTS

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

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

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

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

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

	Level 2
Loans receivable	$ 4,687,745
Total financial instruments by fair value	$ 4,687,745

As of September 30, 2018, the financial instrument reported at fair value consists of a GNMA Pass-Through Certificate evidenced by the Loan Receivable with the Developer. The GNMA Pass-Through Certificate bears interest at 0.25% less than the interest rate on the Loan Receivable, which bears interest at 5.863%. GNMA is obligated under the GNMA Pass-Through Certificate to make payments of principal and interest corresponding to the required payments under the Loan Receivable. The Loan Receivable requires the Developer to make monthly payments corresponding to the required payments sufficient to pay interest and principal on the Bonds when due to the mortgage lender, Reilly Mortgage Group, Inc.

The contractual maturity of the GNMA Pass-Through Certificate is August 1, 2039. The actual maturity may differ from contractual maturity due to the Developer having the right to call or prepay the obligation without a prepayment penalty.

NOTE 5 – BONDS PAYABLE

In March 1998, the Authority issued $6,000,000 in Bonds.

The following is a summary of the outstanding Bonds at September 30, 2018:

$1,700,000, Term Bonds Series A, bearing interest at 5.45%, payable semi-annually, with principal amounts maturing semi-annually, commencing February 1, 2017, with final maturity on August 1, 2028		1,455,000
$3,360,000, Term Bonds Series A, bearing interest at 5.53%, payable semi-annually, with principal amounts maturing semi-annually, commencing February 1, 2029, with final maturity on August 1, 2039.		3,210,000
	$	4,665,000

The Bonds are subject to redemption at par, in part or in whole, from GNMA Certificate principal prepayments, excess revenues, and mandatory sinking fund payments.

The Bonds are subject to redemption at the option of the Authority under direction of the Developer from the prepayment of the entire mortgage on or after February 1, 2008, at prices ranging from 100% to 102% of par value, plus accrued interest to the redemption date.

NOTE 5 – BONDS PAYABLE - Continued

The maturing principal and interest of the outstanding Bonds are as follows:

Year Ending September 30:	Principal	Interest	Total
2019	$ 110,000	$ 255,312	$ 365,312
2020	115,000	249,317	364,317
2021	125,000	242,913	367,913
2022	135,000	235,964	370,964
2023	145,000	228,471	373,471
2024 – 2028	825,000	1,015,640	1,840,640
2029 – 2033	1,125,000	758,716	1,883,716
2034 – 2038	1,660,000	382,814	2,042,814
2039	425,000	17,834	442,834
Total	$ 4,665,000	$ 3,386,981	$ 8,051,981

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	$ 4,790,000	$ -	$ (125,000)	$ 4,665,000	$ 110,000

The Trust Indenture established certain reserve accounts held by the Trustee and determined the order in which program revenues are to be deposited in the accounts. Debt service on the Bonds and the related expenses are paid through these accounts, which are managed by the Trustee.

NOTE 6 – SUBSEQUENT EVENTS

On February 1, 2019, $60,000 of Bond principal was retired, comprised of $55,000 of scheduled sinking fund maturities and a $5,000 redemption of the Bond maturing August 1, 2039.

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

To the Board of Directors
of the Housing Finance Authority
of Broward County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Finance Authority of Broward County, Florida, 1998 Series A and B Multifamily Housing Revenue Bond Program Funds (Prospect Park Project) (the "Bond Program"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Bond Program's basic financial statements, and have issued our report thereon dated June 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered an opinion on the effectiveness of the Bond Program'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 Bond Program's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Finance Authority of Broward County, Florida, 1998 Series A and B Multifamily Housing Revenue Bond Program Funds Prospect Park Project's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of law, 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 Bond Program'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 Bond Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

S. Davis & Associates, P.A.

Hollywood, Florida
June 14, 2019

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA
2000 SERIES MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(SUMMERLAKE APARTMENTS PROJECT)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

S. Davis & Associates, P.A.
Certified Public Accountants & Consultants

HOUSING FINANCE AUTHORITY OFBROWARD COUNTY, FLORIDA
2000 SERIES MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(SUMMERLAKE APARTMENTS PROJECT)
SEPTEMBER 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Housing Finance Authority
of Broward County, Florida

We have audited the accompanying financial statements of the Housing Finance Authority of Broward County, Florida, 2000 Series Multifamily Housing Revenue Bond Program Funds (Summerlake Apartments Project) (the "Bond Program") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Bond Program's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Finance Authority of Broward County, Florida, 2000 Series Multifamily Housing Revenue Bond Program Funds (Summerlake Apartments Project) as of September 30, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019 on our consideration of the Housing Finance Authority of Broward County, Florida, 2000 Series Multifamily Housing Revenue Bond Program Funds Summerlake Apartments Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bond Program's internal control over financial reporting and compliance.

S. Davis & Associates, P.A.

Hollywood, Florida
June 14, 2019

HOUSING FINANCE AUTHORITY OFBROWARD COUNTY, FLORIDA
2000 SERIES MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(SUMMERLAKE APARTMENTS PROJECT)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

Assets		
Current assets:		
Cash and cash equivalents	$	7,415
Interest receivable on mortgage loan from developer		30,674
Total current assets		38,089
Non-current assets (restricted):		
Cash and cash equivalents		320,217
Mortgage note receivable		4,697,401
Total non-current assets (restricted)		5,017,618
Total assets		5,055,707
Liabilities		
Current liabilities:		
Accrued bond interest payable		28,968
Other accrued liabilities		5,096
Bonds payable		77,157
Total current liabilities		111,221
Non-current liabilities:		
Deposits in escrow		320,217
Other liabilities		3,893
Bond payable		4,620,376
Total non-current liabilities		4,944,486
Total liabilities		5,055,707
Net Position	$	-

See notes to financial statements.

HOUSING FINANCE AUTHORITY OFBROWARD COUNTY, FLORIDA
2000 SERIES MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(SUMMERLAKE APARTMENTS PROJECT)
STATEMENT OF REVENUE, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Revenue		
Interest income	$	350,965
Other Income		20,097
Total revenue		371,062
Expenses		
Bond interest		350,081
General and administrative		20,981
Total expenses		371,062
Change in net position		-
Net position – beginning of year		-
Net position – end of year	$	-

See notes to financial statements.

HOUSING FINANCE AUTHORITY OFBROWARD COUNTY, FLORIDA
2000 SERIES MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(SUMMERLAKE APARTMENTS PROJECT)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Cash flows from operating activities:		
Cash paid for general and administrative expense	$	(20,981)
Other cash receipts		21,572
Net cash provided by operating activities		591
Cash flows from investing activities:		
Interest received on note receivable		350,523
Principal paydowns on note receivable		71,670
Net cash provided by investing activities		422,193
Cash flows from noncapital and related financing activities:		
Interest payments on bonds payable		(350,523)
Principal payments on bonds payable		(71,670)
Net cash used in non-capital and related financing activities		(422,193)
Increase in cash and cash equivalents		591
Cash and cash equivalents, beginning of year		6,824
Cash and cash equivalents, end of year	$	7,415
Reconciliation of change in net position to net cash provided by operating activities:		
Change in net position	$	-
Adjustments to reconcile the change in net position to net cash provided by operating activities:		
Bond interest expense		350,081
Interest income on note receivable		(350,965)
Decrease in restricted cash equivalents		(68,175)
Decrease in other assets		1,475
Increase in deposits in escrow		68,175
Net cash provided by operating activities	$	591

See notes to financial statements.

NOTE 1 – ORGANIZATION AND PURPOSE

The Housing Finance Authority of Broward County (the "Authority") was established in 1979 by the Board of County Commissioners for the purpose of encouraging the investment of private capital and stimulating the construction of residential housing for low and moderate income families through the use of public financing. The Authority is authorized, under Section 159 of *Florida Statutes*, to issue bonds to fulfill its corporate purpose in principal amounts specifically authorized by the County Commissioners. Amounts issued by the Authority shall not be deemed to constitute a debt of the County, the State of Florida, or any political subdivision thereof.

The 2000 Series Multifamily Housing Revenue Bonds (Summerlake Apartments Project) (the "Bonds") were issued in the amount of $5,600,000 to provide funds for a loan (the "Loan") between the Authority and Summerlake Apartments, Ltd., a Florida limited partnership (the "Developer"), for the purpose of financing the construction of 108 residential rental apartment units (the "Project") in Broward County, Florida.

The Bonds are backed by the payments pursuant to the Loan Agreement, and all amounts held by The Bank of New York Trust Company (the "Trustee").

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 2000 Series Summerlake Apartments Project Multifamily Housing Revenue Bond Program Funds (the "Bond Program Funds") were created pursuant to the 2000 Series Bond Resolution to account for the proceeds from the sale of the Bonds, the debt service requirements of the Bond indebtedness, and the Loan to the Developer made with the Bond proceeds. These financial statements reflect only the activities of the funds created pursuant to the Bond Resolution and do not reflect the operations of the underlying project of the Developer.

Basis of accounting

The Bond Program Funds use the accrual basis of accounting.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 revenue and expenses during the reporting periods. Actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid instruments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Restricted cash equivalents/deposits in escrow

Restricted cash equivalents represent amounts held by the Trustee and received from the Developer for (a) bond issuance costs, (b) an indemnity deposit in the event of a default, (c) construction equity, (d) replacement reserves, and (e) property taxes and insurance. Such amounts are classified as restricted cash equivalents, with a corresponding liability included in deposits in escrow in the accompanying statement of net position. Restricted cash equivalents balances are not included on the Statement of Cash Flows.

Other liability

Other liability represents the cumulative results of operations of the bond issue which is due from the Developer upon maturity of the bond program fund.

Net position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources.

Date of management's review

Management has evaluated subsequent events through June 14, 2019, the date on which the financial statements were available to be issued.

NOTE 3 – INVESTMENTS, CASH AND CASH EQUIVALENTS

Investments, which are included in cash equivalents at September 30, 2018, represent the Bond Program Funds' ownership interest in money market accounts held by the Trustee.

NOTE 3 – INVESTMENTS, CASH AND CASH EQUIVALENTS - Continued

Investment risk

Investments permitted by the Bond Program Funds are stipulated in agreements with the Authority for the benefit of the Bond Program Funds that include language that limits credit and custodial risk, concentration of credit risk, interest rate risk and foreign currency risk as defined in GASB Statement No. 40.

NOTE 4 – NOTE RECEIVABLE FROM DEVELOPER

As of September 30, 2018, the 2000 Summerlake Apartments Project Bond Program Funds had a note receivable (the "Note") from the Developer. The Note is made pursuant to the Loan Agreement. The Developer is obligated under the Loan Agreement to make payments which will be sufficient to pay the principal and interest, when due, on the Bonds. The Loan Agreement requires monthly payments (per the amortization schedule) to be made by the Developer by depositing the principal due by the next succeeding Bond Payment Date commencing April 1, 2002, and thereafter, and the interest due on the next Interest Payment Date commencing on the first month after Bond closing. The payments required from the Developer are net of interest earned on investments. Gross interest earned on the Note for the year ended September 30, 2018 was $350,965.

In addition, the Developer has agreed to pay all reasonable costs, fees, and expenses associated with the Bonds, according to certain time schedules as described in the Loan Agreement.

NOTE 5 – BONDS PAYABLE

In March 2000, the Authority issued $5,600,000 of 2000 Series Tax Exempt Term Bonds. As of September 30, 2018, $4,697,533 of the Bonds was outstanding. The Bonds bear interest at 7.40% payable monthly, with final maturity on March 1, 2042.

The Bonds are subject to mandatory redemption on the Interest Payment Date following receipt of the Certificate of Occupancy indicating the Project completion date, in part, from proceeds of the Bonds remaining in the Loan account of the Construction Fund.

Prior to maturity, at any Interest Payment Date on or after April 1, 2027, the Bonds are subject to optional redemption, in whole but not in part, from proceeds of an optional prepayment of the Loan by the Developer, at par value, plus accrued interest to the redemption date. The Bonds are also subject to extraordinary and special mandatory redemptions, in whole or in part, upon damage, destruction, condemnation, upon certain prepayments of the Note, and/or when sufficient monies are available to redeem the Bonds as described in the Trust Indenture.

NOTE 5 – BONDS PAYABLE - Continued

The maturing principal and interest of the outstanding Bonds are as follows:

Year Ending September 30:	Principal	Interest	Total
2019	$ 77,157	$ 345,035	$ 422,192
2020	83,064	339,128	422,192
2021	89,424	332,768	422,192
2022	96,270	325,922	422,192
2023	103,641	318,551	422,192
2024 – 2028	650,097	1,460,863	2,110,960
2029 – 2033	940,100	1,170,860	2,110,960
2034 – 2038	1,359,470	751,490	2,110,960
2039 – 2042	1,298,310	179,363	1,477,673
Total	$ 4,697,533	$ 5,223,980	$ 9,921,513

Changes in Long – Term Liabilities

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bond Payable	$ 4,769,203	$ -	$ (71,670)	$ 4,697,533	$ 77,157

The Trust Indenture established certain accounts held by the Trustee and determined the order in which program revenues are to be deposited in these accounts. Debt service on the Bonds and related expenses are paid through these accounts, which are managed by the Trustee.

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

To the Board of Directors
of the Housing Finance Authority
of Broward County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Finance Authority of Broward County, Florida, 2000 Series Multifamily Housing Revenue Bond Program Funds (Summerlake Apartments Project) (the "Bond Program") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Bond Program's basic financial statements, and have issued our report thereon dated June 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bond Program'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 Bond Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bond Program'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 Bond Program's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Finance Authority of Broward County, Florida, 2000 Series Multifamily Housing Revenue Bond Program Funds Summerlake Apartments Project's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of law, 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 Bond Program'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 Bond Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

S. Davis & Associates, P.A.

Hollywood, Florida
June 14, 2019

HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA
2002 SERIES A AND B MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(COLONIAL PARK APARTMENTS PROJECT)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

S. Davis & Associates, P.A.
Certified Public Accountants & Consultants

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
2002 SERIES A AND B MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(COLONIAL PARK APARTMENTS PROJECT)
SEPTEMBER 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Housing Finance Authority
of Broward County, Florida

We have audited the accompanying financial statements of the Housing Finance Authority of Broward County, Florida, 2002 Series A and B Multifamily Housing Revenue Bond Program Funds (Colonial Park Apartments Project) (the "Bond Program") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Bond Program's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Finance Authority of Broward County, Florida, 2002 Series A and B Multifamily Housing Revenue Bond Program Funds (Colonial Park Apartments Project) as of September 30, 2018 and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019 on our consideration of the Housing Finance Authority of Broward County, Florida, 2002 Series A and B Multifamily Housing Revenue Bond Program Funds (Colonial Park Apartments Project) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bond Program's internal control over financial reporting and compliance.

S. Davis & Associates, P.A.

Hollywood, Florida
June 14, 2019

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
2002 SERIES A AND B MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(COLONIAL PARK APARTMENTS PROJECT)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

Assets		
Current Assets:		
Cash and cash equivalents	$	9,713
Interest receivable		44,638
Total assets		54,351
Non-current assets (restricted):		
Cash and cash equipment		592,869
Note receivable		7,652,153
Other assets		22,525
Total non-current assets		8,267,547
Total assets		8,321,898
Liabilities		
Current Liabilities:		
Accrued interest payable		44,638
Other accrued liabilities		32,238
Deposits in escrow		592,869
Bonds payable – current		108,590
Total current liabilities		778,335
Non-current liabilities:		
Bond payable, net of current portion		7,543,563
Total non-current liabilities		7,543,563
Total liabilities		8,321,898
Net Position	$	-

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
2002 SERIES A AND B MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(COLONIAL PARK APARTMENTS PROJECT)
STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Revenue		
Interest income on note receivable	$	538,941
Other Income		23,666
Total Revenue		562,607
Expenses		
Bond interest		538,941
General and administrative		23,666
Total Expenses		562,607
Change in net position		-
Net position – beginning of year		-
Net position – end of year	$	-

See notes to financial statements.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA
2002 SERIES A AND B MULTIFAMILY HOUSING
REVENUE BOND PROGRAM FUNDS
(COLONIAL PARK APARTMENTS PROJECT)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Cash flows from operating activities:		
Cash paid for general administrative expenses	$	(23,666)
Other cash receipts		23,767
Net cash provided by operating activities		101
Cash flows from investing activities:		
Interest on note receivable		539,531
Principal collected on note receivable from developer		101,269
Net cash provided by investing activities		40,800
Cash flows from noncapital and related financing activities:		
Interest payments on bonds payable		(539,531)
Principal payments on bonds payable		(101,269)
Net cash used in non-capital and related financing activities		(640,800)
Increase in cash and cash equivalents (unrestricted)		101
Cash and cash equivalents (unrestricted), beginning of year		9,612
Cash and cash equivalents (unrestricted), end of year	$	9,713
Reconciliation of change in net position to net cash provided by (used) in operating activities:		
Change in net position	$	-
Adjustments to reconcile to net cash provided by operating activities:		
Bond interest expense		538,941
Interest income on note receivable		(538,941)
Decrease in restricted cash and cash equivalents		(9,335)
Increase in other assets		101
Increase in deposits escrow		9,335
Net cash provided by operating activities	$	101

See notes to financial statements.

NOTE 1 – ORGANIZATION AND PURPOSE

The Housing Finance Authority of Broward County (the "Authority") was established in 1979 by the Board of County Commissioners for the purpose of encouraging the investment of private capital and stimulating the construction of residential housing for low and moderate income families through the use of public financing. The Authority is authorized, under Section 159 of *Florida Statutes*, to issue bonds to fulfill its corporate purpose in principal amounts specifically authorized by the County Commissioners. Amounts issued by the Authority shall not be deemed to constitute a debt of the County, the State of Florida, or any political subdivision thereof.

The 2002 Series A and B Multifamily Housing Revenue Bonds (Colonial Park Apartments Project) (the "Bonds") were issued to provide funds for a loan (the "Loan") between the Authority and Reflections Housing Limited Partnership, a Florida limited partnership (the "Developer"), for the purpose of financing the acquisition and construction of 160 residential rental apartment units (the "Project") in Broward County, Florida.

Pursuant to the terms of the Loan Agreement, the Developer has executed and delivered a promissory note (the "Note") in the amount of $8,575,000, payable to the Authority, due June 1, 2044. As security for the payments required to be made by the Developer to the Authority under the Note, the Developer has agreed to grant the Authority a first priority mortgage and security interest in the premises and the Project.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 2002 Series A and B Colonial Park Apartments Project Multifamily Housing Revenue Bond Program Funds (the "Bond Program Funds") were created pursuant to the Bond Resolution to account for the proceeds from the sale of the Bonds, the debt service requirements of the Bond indebtedness, and the Note made with the Bond proceeds. These financial statements reflect only the activities of the funds created pursuant to the Bond Resolution and do not reflect the operations of the underlying project of the Developer.

Basis of accounting

The Bond Program Funds use the accrual basis of accounting.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Cash equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid instruments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Restricted cash equivalents/deposits in escrow

Restricted cash equivalents represent amounts held by the Bank of New York Trust Company (the "Trustee") and received from the Developer to (a) indemnify the Authority, (b) provide for the required equity funds, (c) provide for replacement reserves, and (d) pay taxes and insurance. Such amounts are classified as restricted cash equivalents with a corresponding liability recorded as deposits in escrow in the accompanying statement of net position. Restricted cash equivalents balances are not included on the Statement of Cash Flows.

Other asset/liability

Other asset/liability represents the cumulative results of operations of the bond issue which is due from/due to the Developer upon maturity of the bond program fund.

Net position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources.

Date of management's review

Management has evaluated subsequent events through June 14, 2019, the date on which the financial statements were available to be issued.

NOTE 3 – CASH AND CASH EQUIVALENTS

Investments, which are included in cash equivalents at September 30, 2018, represent the Bond Program Funds' ownership interest in money market accounts held by the Trustee.

Investment risk

Investments permitted by the Bond Program Funds are stipulated in agreements with the Authority for the benefit of the Bond Program Funds that include language that limits credit and custodial risk, concentration of credit risk, interest rate risk and foreign currency risk as defined in GASB Statement No. 40.

NOTE 4 – NOTE RECEIVABLE FROM DEVELOPER

The Authority has assigned all rights to the Note from the Developer to the 2002 Series A and B Colonial Park Apartments Project Program Funds. The terms of this Note require the Developer to pay sufficient amounts into the trust accounts to pay principal, premium (if any), and interest on the Bonds, and certain fees and expenses as provided in the Trust Indenture, net of amounts held in the related reserve accounts.

The payments required from the Developer are net of interest earned on investments from reserves and undisbursed project funds. Gross interest earned on the Note for the year was $545,808. The Developer's obligation to make such payments is limited and payable solely from the Development Loan proceeds, related interest earned therefrom, and revenues derived from operation or sale of the Project. This obligation is collateralized by a mortgage on the Project, and on assignment of related leases and rents.

The Project completed construction in July 2003 and received its Certificate of Occupancy. Accordingly, the aforementioned assignment of leases and rents is a future event that is contingent on attracting viable tenants.

NOTE 5 – BONDS PAYABLE

The following is a summary of the Bonds outstanding at September 30, 2018:

$8,200,000 Term Bonds, bearing interest at 7.5% until August 31, 2003, and 7.0% thereafter, payable monthly; maturing in varying Installments beginning April 1, 2012, with final maturity on June 1, 2044.	$ 7,652,153

NOTE 5 – BONDS PAYABLE

The Bonds are subject to mandatory redemption on the first Interest Payment Date for which notice can be given following receipt of the Certificate of Occupancy indicating the Project completion date, in whole or in part, from proceeds of the Bonds remaining in the Bonds Proceeds Sub-account.

The Bonds are backed by the payments pursuant to the Loan Agreement, and the amounts held by the Trustee.

Prior to maturity, on any Interest Payment Date on or after June 1, 2019, the Bonds are subject to optional redemption, in whole or in part from prepayments of the Loan by the Developer at a redemption price equal to the principal amount, plus accrued interest to the date fixed for redemption.

The maturing principal and interest of the outstanding Bonds are as follows:

Year Ending September 30:	Principal	Interest	Total
2019	$ 108,590	$ 532,210	$ 640,800
2020	116,440	524,360	640,801
2021	124,856	515,942	640,799
2022	133,881	506,917	640,799
2023	143,560	497,239	640,799
2024-2028	889,317	2,314,682	3,203,999
2029-2033	1,260,719	1,943,282	3,204,001
2034-2038	1,787,222	1,416,774	3,203,996
2039-2043	2,533,617	670,384	3,204,001
2044	553,948	18,402	572,350
Total	$ 7,652,153	$ 8,940,193	$ 16,592,346

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	$ 7,753,422	$ -	$ (101,269)	$ 7,652,153	$ 108,590

The Trust Indenture established certain accounts held by the Trustee and determined the order in which program revenues are to be deposited in these accounts. Debt service on the Bonds and related expenses are paid through these accounts, which are managed by the Trustee.

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

To the Board of Directors
of the Housing Finance Authority
of Broward County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Finance Authority of Broward County, Florida, 2002 Series A and B Multifamily Housing Revenue Bond Program Funds (Colonial Park Apartments Project) (the "Bond Program") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Bond Program's basic financial statements, and have issued our report thereon dated June 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bond Program'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 Bond Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bond Program'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 Bond Program's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Finance Authority of Broward County, Florida, 2002 Series A and B Multifamily Housing Revenue Bond Program Funds (Colonial Park Apartment Project) financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of law, 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 Bond Program'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 Bond Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

S. Davis & Associates, P.A.

Hollywood, Florida
June 14, 2019