GREEN CORRIDOR PROPERTY ASSESSED CLEAN ENERGY (PACE) DISTRICT
TOWN OF CUTLER BAY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021

GREEN CORRIDOR PROPERTY ASSESSED CLEAN ENERGY (PACE) DISTRICT
TOWN OF CUTLER BAY, FLORIDA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Green Corridor Property Assessed Clean Energy (PACE) District
Town of Cutler Bay, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Green Corridor Property Assessed Clean Energy (PACE) District, Town of Cutler Bay, Florida ("District") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2021, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The information for compliance with FL Statute 218.39 (3) (c) is not a required part of the basic financial statements. The information for compliance with FL Statute 218.39 (3) (c) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Grau & Associates

September 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Green Corridor Property Assessed Clean Energy (PACE) District, Town of Cutler Bay, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of $22,396,686.

- The change in the District's total net position in comparison with the prior fiscal year was $8,039,509, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.

- At September 30, 2021, the District's governmental funds reported combined ending fund balances of $22,396,686, an increase of $8,039,509 in comparison with the prior fiscal year. A portion of the fund balance is restricted for debt service and nonspendable for prepaid items, the remaining fund balance unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by contributions from the Administrator and assessments. The District does not have any business-type activities. The governmental activities of the District include the general government (management), PACE program service and PACE financing functions.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities at the close of the most recent fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Key components of the District's net position are reflected in the following table:

NET POSITION
SEPTEMBER 30,

	2021	2020
Current and other assets	$ 37,668,630	$ 27,406,497
Assessments receivables - long term	1,015,453,372	867,217,807
Total assets	1,053,122,002	894,624,304
Current liabilities	15,271,944	13,049,320
Long-term liabilities	1,015,453,372	867,217,807
Total liabilities	1,030,725,316	880,267,127
Net position		
Restricted	19,860,969	12,426,821
Unrestricted	2,535,717	1,930,356
Total net position	$ 22,396,686	$ 14,357,177

The restricted portion represents amounts restricted by the various bond indentures. The balance of unrestricted net position may be used to meet the District's obligations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's net position increased during the most recent fiscal year.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION

FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

Revenues:	2021	2020
Program revenues		
Charges for services	$ 396,333,397	$ 348,590,489
Operating grants and contributions	1,080,092	1,056,809
General revenues		
Unrestricted investment earnings	2,509	13,646
Miscellaneous	170	3,314
Total revenues	397,416,168	349,664,258
Expenses:		
General government	364,111	329,182
Program services	111,182	109,062
PACE qualifying costs and other fees	330,591,320	293,489,864
Interest and other fees	58,310,046	48,552,100
Total expenses	389,376,659	342,480,208
Change in net position	8,039,509	7,184,050
Net position - beginning	14,357,177	7,173,127
Net position - ending	$ 22,396,686	$ 14,357,177

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2021 was $389,376,659. The costs of the District's activities were paid primarily by program revenues. Program revenues consist of primarily of assessments to be collected from property owners to be used for the debt service on the individual projects.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2021.

DEBT ADMINISTRATION

At September 30, 2021, the District owed $1,015,453,372 related to the Bonds financing for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District operations are expected to increase as the PACE program expands throughout the State of Florida.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Green Corridor Property Assessed Clean Energy (PACE) District's Finance Department at 5385 N. Nob Hill Road, Sunrise, Florida 33351.

GREEN CORRIDOR PROPERTY ASSESSED CLEAN ENERGY (PACE) DISTRICT
TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities
ASSETS	
Cash	$ 286,770
Investments	2,048,242
Due from Ygrene	234,600
Assessments receivable - Current	15,231,801
Prepaid items	6,248
Due from other	5,969
Restricted assets:	
Investments	19,855,000
Assessments receivable - Long term	1,015,453,372
Total assets	1,053,122,002
LIABILITIES	
Accounts payable	40,143
Accrued interest payable	15,231,801
Non-current liabilities:	
Due in more than one year	1,015,453,372
Total liabilities	1,030,725,316
NET POSITION	
Restricted for debt service	19,860,969
Unrestricted	2,535,717
Total net position	$ 22,396,686

See notes to the financial statements

GREEN CORRIDOR PROPERTY ASSESSED CLEAN ENERGY (PACE) DISTRICT
TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary government:				
Governmental activities:				
General government	$ 364,111	$ -	$ 1,077,975	$ 713,864
Program services	111,182	-	-	(111,182)
PACE qualifying costs and other fees	330,591,320	338,023,351	2,117	7,434,148
Interest and other fees	58,310,046	58,310,046	-	-
Total governmental activities	389,376,659	396,333,397	1,080,092	8,036,830

General revenues:	
Unrestricted investment earnings	2,509
Miscellaneous	170
Total general revenues	2,679
Change in net position	8,039,509
Net position - beginning	14,357,177
Net position - ending	$ 22,396,686

See notes to the financial statements

GREEN CORRIDOR PROPERTY ASSESSED CLEAN ENERGY (PACE) DISTRICT
TOWN OF CUTLER BAY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
ASSETS				
Cash	$ 286,770	$ -	$ -	$ 286,770
Investments	2,048,242	19,855,000	-	21,903,242
Assessments receivable	-	1,030,685,173	-	1,030,685,173
Due from Ygrene	234,600	-	-	234,600
Due from other	-	5,969	-	5,969
Prepaid items	6,248	-	-	6,248
Total assets	$ 2,575,860	$ 1,050,546,142	$ -	$ 1,053,122,002
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 40,143	$ -	$ -	$ 40,143
Total liabilities	40,143	-	-	40,143
Deferred inflows of resources:				
Unavailable revenue	-	1,030,685,173	-	1,030,685,173
Total deferred inflows of resources	-	1,030,685,173	-	1,030,685,173
Fund balances:				
Nonspendable:				
Prepaid items	6,248	-	-	6,248
Restricted for:				
Debt service	-	19,860,969	-	19,860,969
Unassigned	2,529,469	-	-	2,529,469
Total fund balances	2,535,717	19,860,969	-	22,396,686
Total liabilities, deferred inflows of resources and fund balances	$ 2,575,860	$ 1,050,546,142	$ -	$ 1,053,122,002

See notes to the financial statements

GREEN CORRIDOR PROPERTY ASSESSED CLEAN ENERGY (PACE) DISTRICT
TOWN OF CUTLER BAY, FLORIDA
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

Total fund balances - governmental funds		$ 22,396,686
Amounts reported for governmental activities in the statement of net position are different because:		
The statement of activities includes the principal portion of the debt along with accrued interest as assessment revenue when the assessment lien is recorded for the individual projects. Governmental funds report the collection of assessments as revenue when the revenues are available.		1,030,685,173
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.		
Accrued interest payable	(15,231,801)	
Bonds payable	(1,015,453,372)	(1,030,685,173)
Net position of governmental activities		$ 22,396,686

See notes to the financial statements

GREEN CORRIDOR PROPERTY ASSESSED CLEAN ENERGY (PACE) DISTRICT
TOWN OF CUTLER BAY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Major Funds			Total
	General	Debt Service	Capital Projects	Governmental Funds
REVENUES				
Administrator contributions	$ 1,077,975	$ -	$ -	$ 1,077,975
Assessment revenue	-	78,113,710	-	78,113,710
Prepaid assessments	-	167,760,588	-	167,760,588
Interest and other income	2,509	2,117	-	4,626
Miscellaneous income	170	-	-	170
Total revenues	1,080,654	245,876,415	-	246,957,069
EXPENDITURES				
Current:				
General government	364,111	-	-	364,111
Program services	111,182	-	-	111,182
Debt service:				
Principal	-	182,355,755	-	182,355,755
Interest	-	52,859,410	-	52,859,410
Other debt service fees	-	3,227,102	-	3,227,102
Capital outlay:				
Qualifying improvements	-	-	286,906,591	286,906,591
Capitalized interest	-	-	23,515,266	23,515,266
Fees and other costs	-	-	20,169,463	20,169,463
Total expenditures	475,293	238,442,267	330,591,320	569,508,880
Excess (deficiency) of revenues over (under) expenditures	605,361	7,434,148	(330,591,320)	(322,551,811)
OTHER FINANCING SOURCES (USES)				
Proceeds from Bonds	-	-	330,591,320	330,591,320
Total other financing sources (uses)	-	-	330,591,320	330,591,320
Net change in fund balances	605,361	7,434,148	-	8,039,509
Fund balances - beginning	1,930,356	12,426,821	-	14,357,177
Fund balances - ending	$ 2,535,717	$ 19,860,969	$ -	$ 22,396,686

See notes to the financial statements

GREEN CORRIDOR PROPERTY ASSESSED CLEAN ENERGY (PACE) DISTRICT
TOWN OF CUTLER BAY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Net change in fund balances - total governmental funds	$ 8,039,509
Amounts reported for governmental activities in the statement of activities are different because:	
The change in unavailable revenue represents an increase/decrease in the revenues of the government wide statements.	150,459,099
Governmental funds report the face amount of Bonds issued as financial resources when debt is first issued, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.	(330,591,320)
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	182,355,755
The change in accrued interest on long-term liabilities between the current and prior fiscal years is recorded in the statement of activities, but not in the governmental fund financial statements.	(2,223,534)
Change in net position of governmental activities	$ 8,039,509

See notes to the financial statements

GREEN CORRIDOR PROPERTY ASSESSED CLEAN ENERGY (PACE) DISTRICT
TOWN OF CUTLER BAY, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ORGANIZATION AND REPORT ENTITY

Green Corridor Property Assessed Clean Energy (PACE) District Town of Cutler Bay, Florida (the "District") was created pursuant to the Florida Interlocal Cooperation Act of 1969, Chapter 163, Part I, Florida Statutes, as amended and pursuant to the provisions of a certain Amended and Restated Interlocal Agreement filed in the public records of Miami-Dade County on August 6, 2012 initially among the Town of Cutler Bay, Florida, the Village of Palmetto Bay, Florida, the Village of Pinecrest, Florida, the City of South Miami, Florida, the City of Coral Gables, Florida, Miami Shores Village, Florida and the City of Miami, Florida (the "Initial Members"), and subsequently among any additional counties or municipalities joining the District as a members.

The District was formed for the purpose, among other things, of issuing bonds and other debt obligations to provide funds for financing the cost of qualifying improvements as defined in Section 163.08, Florida Statutes (the "PACE Act") including energy efficiency improvements, renewable energy improvements and wind resistance improvements (collectively, "Qualifying Improvements"). The District shall exercise any or all of the powers granted under Sections 163.01 and 163.08, F.S., as well as powers, privileges or authorities which the Initial Members and subsequent members might exercise separately, which include among other things, the power to finance Qualifying Improvements within the District service area, the power to borrow money and issue bonds, and the power to levy and assess non-ad valorem assessments either as the District or on behalf of the Initial Members or subsequent Members.

The District's initial activities from its formation through 2013 were undertaken by Ygrene Florida Energy Fund, LLC the Districts Administrator (the "Administrator") and were of an organizational and start-up nature, including securing the participation of local governments in its program, reviewing and registering contractors to participate in the program, undertaking the bond validation process, putting in place bond indentures, and securing funding sources for its bond program. All costs were paid by the Administrator. See Note 6 for additional information on the Administrator.

The District is governed by the Board of Directors ("Board") which is composed of up to seven members. The Board of Directors includes one Director appointed by the governing body of each Initial Member. The Board of Directors of the District exercise all powers granted to the District pursuant to Chapter 163, Florida Statutes.

The Board has, among other things, the following power and duties:

1. To fix the amount of all non-ad valorem assessments and/or fees necessary to operate the Florida Green Energy Green Corridor Program (the "Program"), the qualifying improvements program authorized by Section 163.08, F.S.
2. To make and pass policies, regulations, resolutions and orders, as may be necessary for the governance and management of the affairs of the District, for the execution of the powers, obligations and responsibilities vested in the District.
3. To adopt bylaws and rules of procedure, or amend those that may be initially adopted by the Originating Members.
4. To establish the powers, duties and compensation of all employees or contractors
5. To adopt annual budgets.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements
The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; operating-type special assessments for maintenance and debt service are treated as charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation
The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year in which the lien is placed on the subject property. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments
Assessments are non-ad valorem special assessments on benefited property with voluntary PACE assessment liens. The assessments are levied at the time the related debt issuance is authorized. The receivables are collected in annual installments together with assessments for interest and collection costs in amounts sufficient to meet the annual debt service requirements. The fiscal year for which annual assessments are levied begins on October 1 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments. Special assessments receivable represent the balance of outstanding assessments levied by the District to repay outstanding debt.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund

The capital projects fund is used to account for financial resources to be used for the cost of qualifying improvements as defined in Section 163.08, Florida Statutes (the "PACE Act") including energy efficiency improvements, renewable energy improvements and wind resistance improvements (collectively, Qualifying Improvements").

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

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
c) Interest bearing time deposits or savings accounts in qualified public depositories;
d) Direct obligations of the U.S. Treasury.

The State Board of Administration's ("SBA") Local Government Surplus Funds Trust Fund ("Florida PRIME") is a"2a-7 like" pool. A "2a-7 like" pool is an external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds. Thus, the pool operates essentially as a money market fund. The District has reported its investment in Florida PRIME at amortized cost for financial reporting purposes.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Inventories and Prepaid Items
Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets
Capital assets, which include property, plant and equipment are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The District has no capital assets at September 30, 2021.

Unearned Revenue
Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations
In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s). For example, when an asset is recorded in the governmental fund financial statements, but the revenue is unavailable, the District reports a deferred inflow of resources on the balance sheet until such times as the revenue becomes available.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position
In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Directors. Commitments may be changed or lifted only by the Board of Directors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Directors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Other Disclosures

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

NOTE 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
b) Public hearings are conducted to obtain public comments.
c) Prior to October 1, the budget is legally adopted by the District Board.
d) All budget changes must be approved by the District Board.
e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District's investments were held as follows at September 30, 2021:

	Amortized Cost	Credit Risk	Maturities
Local Government Surplus Trust Funds	$ 2,048,242	S&P AAAm	Weighted average of the fund portfolio: 49 days
Fidelity Gov Port-III	19,855,000	S&P AAAm	Weighted average of the fund portfolio: 38 days
	$ 21,903,242		

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

Interest rate risk – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indenture limits the type of investments held using unspent proceeds.

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

External Investment Pool – With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days." With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

NOTE 5 – LONG TERM LIABILITES

Series 2013 – Taxable Revenue Bonds

The District issued the Series 2013 Bonds as six separate Drawdown Bonds in an aggregate principal amount not to exceed $230,000,000 outstanding, and allowing for the repayments of amounts drawn down and the reborrowing of such repaid amounts as follows:

Series	Term in years		Amount	Interest rate*
2013A	20	$	7,500,000	LIBOR, plus 6.75%
2013B	10		6,000,000	LIBOR, plus 5.75%
2013C	5		5,000,000	LIBOR, plus 4.75%
2013D	20		181,500,000	LIBOR Ten Year Swap Rate, plus 4.75%
2013E	10		25,000,000	LIBOR Ten Year Swap Rate, plus 3.75%
2013F	5		5,000,000	LIBOR Ten Year Swap Rate, plus 2.75%
		$	230,000,000	

* Determined on the date that financing agreement is executed.

The Series 2013 Bonds are no longer being used for PACE financing, however certain projects still exist that were financed under this Series.

Series 2015 – Taxable Revenue Bonds

The District issued the Series 2015 Bonds as four separate Drawdown Bonds in an aggregate principal amount not to exceed $375,000,000 outstanding, and allowing for the repayments of amounts drawn down and the reborrowing of such repaid amounts as follows:

Series	Term in years		Amount	Interest rate*
2015A	20	$	175,000,000	LIBOR Twelve Year Swap Rate, plus 5.60%
2015B	15		50,000,000	LIBOR Nine Year Swap Rate, plus 5.60%
2015C	10		100,000,000	LIBOR Twelve Year Swap Rate, plus 5.60%
2015F	5		50,000,000	LIBOR Three Year Swap Rate, plus 5.60%
		$	375,000,000	

* Determined on the date that financing agreement is executed.

The Series 2015 Bonds are no longer being used for PACE financing, however certain projects still exist that were financed under this Series.

NOTE 5 – LONG TERM LIABILITES (Continued)

Series 2016 – Taxable Revenue Bonds

The District issued the Series 2016 Bonds as four separate Drawdown Bonds in an aggregate principal amount not to exceed $345,000,000 outstanding, and allowing for the repayments of amounts drawn down and the reborrowing of such repaid amounts as follows:

Series	Term in years		Amount	Interest rate*
2016A	20	$	200,000,000	LIBOR Twelve Year Swap Rate, plus 5.60%
2016B	15		30,000,000	LIBOR Nine Year Swap Rate, plus 5.60%
2016C	10		100,000,000	LIBOR Six Year Swap Rate, plus 5.60%
2016F	5		15,000,000	LIBOR Three Year Swap Rate, plus 5.60%
		$	345,000,000	

* Determined on the date that financing agreement is executed.

Series 2017 – Taxable Revenue Bonds

The District issued the Series 2017 Bonds as various Drawdown Bonds in an aggregate principal amount not to exceed $2,000,000,000 outstanding, and allowing for the repayments of amounts drawn down and the reborrowing of such repaid amounts as follows:

Series	Term in years		Amount	Interest rate*
2017A	35	$	1,000,000,000	LIBOR Twelve Year Swap Rate, plus 5.60%
2017B	35		120,000,000	LIBOR Nine Year Swap Rate, plus 5.60%
2017C	35		200,000,000	LIBOR Six Year Swap Rate, plus 5.60%
2017D	35		55,000,000	LIBOR Twelve Year Swap Rate, plus 4.60%
2017E	35		45,000,000	LIBOR Nine Year Swap Rate, plus 4.60%
2017F	35		100,000,000	LIBOR Three Year Swap Rate, plus 5.60%
2017G	35		70,000,000	LIBOR Six Year Swap Rate, plus 4.60%
2017H	35		140,000,000	LIBOR Three Year Swap Rate, plus 4.60%
2017J	35		5,000,000	LIBOR Nine Year Swap Rate, plus 3.60%
2017L	35		30,000,000	LIBOR Three Year Swap Rate, plus 3.60%
2017M	35		64,000,000	LIBOR Twelve Year Swap Rate, plus 2.60%
2017O	35		8,000,000	LIBOR Six Year Swap Rate, plus 2.60%
2017P	35		24,000,000	LIBOR Three Year Swap Rate, plus 2.60%
2017Q	35		24,000,000	LIBOR Twelve Year Swap Rate, plus 3.89%
2017R	35		25,000,000	LIBOR Nine Year Swap Rate, plus 4.02%
2017S	35		7,500,000	LIBOR Six Year Swap Rate, plus 3.96%
2017T	35		7,500,000	LIBOR Three Year Swap Rate, plus 3.75%
2017U	35		60,000,000	LIBOR Three Year Swap Rate, plus 4.24%
		$	1,985,000,000	

* Determined on the date that financing agreement is executed.

Series 2017I, 2017K and 2017N which amount to $15,000,000 have not been closed so they are not included above. The Bond Indenture has been amended to provide for an adjustment to the interest rates to be used on PACE project financings.

NOTE 5 – LONG TERM LIABILITES (Continued)

Series 2017 Second Supplemental Trust Indeture

The 2017 Second Supplemental Trust Indenture was created to add additional Drawdown Bonds in an aggregate principal amount not to exceed $2,000,000,000 outstanding, and allowing for the repayments of amounts drawn down and the reborrowing of such repaid amounts as follows:

Series	Term in years		Amount	Interest rate*
2017AA	35	$	20,000,000	3.50%
2017AD	35		12,000,000	4.50%
2017AE	35		5,000,000	4.75%
2017AF	35		300,000	5.00%
2017AH	35		12,000,000	5.50%
2017AI	35		12,000,000	5.75%
2017AJ	35		14,000,000	6.00%
2017AL	35		45,000,000	6.50%
2017AM	35		16,000,000	6.75%
2017AN	35		40,000,000	7.00%
2017AO	35		25,000,000	7.25%
2017AP	35		45,000,000	7.50%
2017AQ	35		75,000,000	7.75%
2017AR	35		60,000,000	8.00%
		$	381,300,000	

* Determined on the date that financing agreement is executed.

The 2017AB, 2017AC, 2017AG, 2017AK and 2017AS series have not yet been issued. The Bond Indenture has been amended to provide for an adjustment to the interest rates to be used on PACE project financings.

Bond Terms

Each advance made under the Drawdown Bond is considered a Sub-Series of such Drawdown Bond and is registered by the Trustee with a separate sub-series number, will be secured solely by the Matching Collateral. The Matching Collateral consists of the financing agreement, the related assessments, and the related assessment lien on the subject property.

Principal and interest on the Sub-Series Bonds are paid in annual installment on June 30 starting in the first year after assessments are placed on the tax roll. The Sub-Series Bonds generally include a prepayment penalty of 5% in the event that the property owner prepays the assessments. The prepayment penalty have been eliminated for residential projects entered into subsequent to November 17, 2017. The First Supplemental Indenture for the Series 2017 Bonds provides for the property owner the option to buy down the applicable interest rate. The Sub-Series Bonds are subject to Optional Redemption from any source of funds as defined in the Indenture. The Indenture requires the creation of a revenue fund to be held by the Trustee.

Purchase Agreement

Ygrene Energy Fund Inc. (“Ygrene”) will purchase the Sub-Series Bonds and pay the purchase price of the Sub-Series Bonds by making Advances pursuant to and in accordance with the Indenture. The District and the Trustee will convey and sell to the Purchaser all of the Matching Collateral for any Sub-Series Bond, including the Financing Agreements and all rights thereunder, including the rights to receive payment of the Assessments, to pursue judicial foreclosure of the liens associated with the Assessments, and to enforce the collection of the Assessments. The Sub-Series Bonds can be transferred by Ygrene or any other owner as defined in the Indentures.

NOTE 5 – LONG TERM LIABILITES (Continued)

Long-term debt activity

Long term debt transactions for the fiscal year ended September 30, 2021 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Interest Rates
Governmental activities					
Draw Down Bonds 5 year term	$ 13,354,503	$ -	$ 5,858,802	$ 7,495,701	3.75% to 8.05%
Draw Down Bonds 10 year term	82,394,307	28,533,597	24,041,451	86,886,453	3.55% to 7.99%
Draw Down Bonds 15 year term	65,826,103	27,680,869	13,920,708	79,586,264	3.99% to 8.02%
Draw Down Bonds 20 year term	455,746,725	74,228,608	91,404,476	438,570,857	3.50% to 8.13%
Draw Down Bonds 25 year term	39,090,419	17,136,289	7,378,125	48,848,583	3.50% to 8.00%
Draw Down Bonds 30 year term	210,805,750	183,011,957	39,752,193	354,065,514	3.50% to 8.00%
Total	$ 867,217,807	$ 330,591,320	$ 182,355,755	$ 1,015,453,372	

The long-term debt transactions have been shown based on the term in years and not based on the original Bond Series used by the District at the time that the project was entered into.

Securitizations

During a prior fiscal year, a supplemental indenture was executed to securitize the assets represented by certain Sub-Series Bonds. The 2016-1 Bonds consist of $32,710,103 in individual Sub-Series Bonds. The Sub-Series Bonds were transferred to GoodGreen 2016-1 Trust Series Notes a securitization sponsored and administered by Ygrene. The securitization includes assets from California and Florida.

During a prior fiscal year, a supplemental indenture was executed to securitize the assets represented by certain Sub-Series Bonds. The 2017-1 Bonds consist of $77,399,971 in individual Sub-Series Bonds. The Sub-Series Bonds were transferred to GoodGreen 2017-1 Trust Series Notes a securitization sponsored and administered by Ygrene. The securitization includes assets from California and Florida.

During a prior fiscal year, supplemental indentures were executed to securitize the assets represented by certain Sub-Series Bonds. The 2017-2 Bonds consist of $108,916,259 in individual Sub-Series Bonds. The Sub-Series Bonds were transferred to GoodGreen 2017-2 Trust Series Notes a securitization sponsored and administered by Ygrene. The securitization includes assets from California and Florida.

During a prior fiscal year, supplemental indentures were executed to securitize the assets represented by certain Sub-Series Bonds. The 2018-1 and 2019-1 consist of $275,800,000 and $212,408,000 in individual Sub-Series Bonds. The Sub-Series Bonds were transferred to GoodGreen 2018-1 and 2019-1 Trust Series Notes a securitization sponsored and administered by Ygrene. The securitization includes assets from California and Florida.

During the prior fiscal year, the District issued the Series 2020-1 taxable revenue bonds in the amount of $271,996,575 to be used for securitizations. The Bonds are to be issued as thirty four separate draw-down series with various maximum principal amounts, interest rate terms and maturities.

During the current fiscal year, the District issued the Series 2021-1 taxable revenue bonds in the amount of $292,121,733 to be used for securitizations. The Bonds are to be issued as twenty separate draw-down series with various maximum principal amounts, interest rate terms and maturities.

NOTE 6 – THIRD PARTY ADMINISTRATION AGREEMENT

The District has entered into a Third Party Administration Agreement with the Administrator. The Administrator is responsible for providing services to the District for the design, implementation, and administration of the Program. The Agreement is for a five year term and will renew automatically for five successive year terms unless terminated as provided for in the Agreement.

The Administrator is entitled to impose and collect fees related to the Program. Fees consist of application, processing and underwriting, recording and disbursements and other fees as approved by the District which are charged to the property owner. Other than the application fees, the remaining fees are added to the balance financed by the property owner. In addition, capitalized interest is added for the period prior to placing the assessments on the tax roll. The Administrator also charges a 3% project oversight fee to Certified Contractors.

The Administrator has contracted with a sub-contractor who will manage the legal and procedural for placing the PACE assessments on the county property tax rolls. In the event of property tax default by the owners of any property against which a District PACE assessment has been recorded, the Administrator agrees to purchase the tax lien certificate.

The Administrator will aggregate and accumulate carbon credits that result from the projects. The Administrator and the District shall equally split the ownership of carbon credits accrued within the District.

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Administrator for the District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations.

NOTE 8 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

NOTE 9 – CONTINGENCIES

The District is involved in various claims and litigation arising in the ordinary course of operations, none of which, in the opinion of the Board of Supervisors and District Manager, will have a material effect on the District's financial position.

NOTE 10 – SUBSEQUENT EVENTS

Series 2022-1

Subsequent to fiscal year end, the District issued Series 2022-1 taxable revenue bonds in the amount of $281,400,518 to be used for securitizations. The Bonds are to be issued as sixteen separate draw-down series with various maximum principal amounts, interest rate terms and maturities.

GREEN CORRIDOR PROPERTY ASSESSED CLEAN ENERGY (PACE) DISTRICT
TOWN OF CUTLER BAY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Administrator contributions	$ 750,000	$ 1,077,975	$ 327,975
Interest	10,000	2,509	(7,491)
Miscellaneous	-	170	170
Total revenues	760,000	1,080,654	320,654
EXPENDITURES			
Current:			
General government	367,121	364,111	3,010
Program services	200,000	111,182	88,818
Total expenditures	567,121	475,293	91,828
Excess (deficiency) of revenues over (under) expenditures	$ 192,879	605,361	$ 412,482
Fund balance - beginning		1,930,356	
Fund balance - ending		$ 2,535,717	

See notes to required supplementary information

GREEN CORRIDOR PROPERTY ASSESSED CLEAN ENERGY (PACE) DISTRICT
TOWN OF CUTLER BAY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2021.

GREEN CORRIDOR PROPERTY ASSESSED CLEAN ENERGY (PACE) DISTRICT
TOWN OF CUTLER BAY, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FLORIDA STATUTE 218.39(3)(C)
UNAUDITED

Element	Comments
Number of district employees compensated at 9/30/2021	Not applicable
Number of independent contractors compensated in September 2021	Not applicable
Employee compensation for FYE 9/30/2021 (paid/accrued)	Not applicable
Independent contractor compensation for FYE 9/30/2021	Not applicable
Construction projects to begin on or after October 1; (>$65K)	Not applicable
Budget variance report	See page 23 of annual financial report
Ad Valorem taxes;	Not applicable
Millage rate FYE 9/30/2021	Not applicable
Ad valorem taxes collected FYE 9/30/2021	Not applicable
Outstanding Bonds:	Not applicable
Non ad valorem special assessments	
Special assessment rate FYE 9/30/2021	Debt service - Range $252.27 - $331,289.28
Outstanding Bonds:	
Multiple Bond Series with multiple terms	see Note 5 for details

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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 Supervisors
Green Corridor Property Assessed Clean Energy (PACE) District
Town of Cutler Bay, 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 governmental activities and each major fund of Green Corridor Property Assessed Clean Energy (PACE) District, Town of Cutler Bay, Florida ("District") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated September 30, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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*.

We noted certain matters that we reported to management of the District in a separate letter dated September 30, 2022.

The District's responses to the findings identified in our audit are described in the accompanying Management Letter. We did not audit the District's responses and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown & Associates

September 30, 2022

Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Supervisors
Green Corridor Property Assessed Clean Energy (PACE) District
Town of Cutler Bay, Florida

We have examined Green Corridor Property Assessed Clean Energy (PACE) District, Town of Cutler Bay, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2021. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Green Corridor Property Assessed Clean Energy (PACE) District, Town of Cutler Bay, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

September 30, 2022

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MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL FOR THE STATE OF FLORIDA

To the Board of Supervisors
Green Corridor Property Assessed Clean Energy (PACE) District
Town of Cutler Bay, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Green Corridor Property Assessed Clean Energy (PACE) District, Town of Cutler Bay, Florida ("District") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated September 30, 2022.

Auditor's Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated September 30, 2022, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

I. Current year findings and recommendations.
II. Status of prior year findings and recommendations.
III. Compliance with the Provisions of the Auditor General of the State of Florida.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of Green Corridor Property Assessed Clean Energy (PACE) District, Town of Cutler Bay, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Green Corridor Property Assessed Clean Energy (PACE) District, Town of Cutler Bay, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

September 30, 2022

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2021-01 Fair Market Value "FMV" Documentation

Finding: The District has approved program guidelines for the Administrator. The guidelines include loan to value ratios subsequent to the project financing, total amount that can be spent on qualifying improvements based on fair market value of the property and amount of equity on the property prior to the financing of the project. All of these guidelines are contingent on the determining a reasonable FMV for the property.

In eleven instances of testing we found District used the highest valuation within a range of values provided by the source as the value to determine compliance with the guidelines.

Recommendation: The District should improve its documentation related to how and why certain amounts are used to justify the FMV to be used to determine compliance with the guidelines.

Management response: As it relates to determining a reasonable FMV for the property for the purposes of determining eligible project financing amounts, the Administrator has several approved sources for valuation, each of which return FMV information for the property. Ygrene utilizes an approved valuation for the FMV. Ygrene will update their procedure document for how and why the sources are used.

2021-02 Bond Compliance

Finding: All projects are financed under various Draw Down Bonds as disclosed in the financial statements. Projects may then be transferred to new indentures for securitizations. The District record of the initial Draw Down Bonds used for the project financing do not track the Draw Down Bonds that were initially used to finance the project. Therefore, we could not determine that all projects were properly financed under the appropriate Draw Down Bonds. In addition, the disclosure of the debt outstanding cannot be reported by Bond Series.

Recommendation: We recommend that the District update their records to include a field for the original Draw Down Bond used for financing the project. The records should also include the current Bond Indenture that the project relates to if it has been transferred due to securitizations.

Management response: Ygrene will assist the District in obtaining the original Draw Down Bond CUSIP from Zions bank, in order to update their records.

2021-03 Loan Origination Fees

Finding: A portion of the project financing is used to pay loan origination fees in accordance with the program guidelines. On one item selected for testing the loan origination fees were higher than expected per program guidelines.

Recommendation: We recommend that the District follow the program guidelines to ensure compliance with loan origination fees.

Management response: Ygrene has reviewed the finding and determined it was the result of a system error which resulted in the loan origination fee being charged twice on a phase project. Ygrene will remediate the identified project and credit the affected property owner. Ygrene has taken the following steps to ensure this system error does not reoccur: 1) Updated the system to prompt the underwriter to verify if a fee should be charged and if it's accurate. 2) Ygrene will put a manual review process in place to make sure the project fee is accurate to ensure compliance.

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2020-01, 2019-02, 2018-05 Fair Market Value "FMV" Documentation – See finding 2021-01

2020-02, 2019-03 Bond Compliance – See finding 2021-02

2020-03, 2019-04 Proof of Payment – Recommendation has been implemented

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

   There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2020, except as noted above.

2. Any recommendations to improve the local governmental entity's financial management.

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2021, except as noted above.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2021, except as noted above.

4. The name or official title and legal District of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 25.