

Florida Green Finance Authority

ANNUAL FINANCIAL REPORT

September 30, 2022

Florida Green Finance Authority

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Florida Green Finance Authority
Florida

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of Florida Green Finance Authority (the "Authority"), as of and for the year ended September 30, 2022, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Florida Green Finance Authority as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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



To the Board of Supervisors
Florida Green Finance Authority

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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



To the Board of Supervisors
Florida Green Finance Authority

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

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 Florida Green Finance Authority's internal control over financial reporting and compliance.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 10, 2023

Florida Green Finance Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

Management's discussion and analysis of Florida Green Finance Authority (the "Authority") financial performance provides an objective and easily readable analysis of the Authority's financial activities. The analysis provides summary financial information for the Authority and should be read in conjunction with the Authority's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the Authority's financial position and results of operations. The *Fund financial statements* present financial information for the Authority's major funds. The *Notes to financial statements* provide additional information concerning the Authority's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the Authority, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; net investment in capital assets, restricted, and unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the Authority and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the Authority. To assist in understanding the Authority's operations, expenses have been reported as governmental activities. Governmental activities financed by the Authority include general government, physical environment and debt service.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major funds of the Authority. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

Florida Green Finance Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the Authority's General Fund. *Fund financial statements* provide more detailed information about the Authority's activities. Individual funds are established by the Authority to track revenues that are restricted to certain uses or to comply with legal requirements.

The government-wide financial statement is designed to provide the reader with a broad overview of the Authority's finances, in a manner similar to a private sector business. In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis and is reported on a full-accrual economic resource basis, which recognizes all non-current assets and receivables as well as all non-current debt and obligations. The effect of interfund activity has been eliminated from the government-wide financial statements. In contrast, the governmental fund financial statements are grouped into funds to account for and to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis where as revenues are recorded when collected in the current period or within 60 days of year-end and expenditures are recorded when a liability is incurred. The difference between the two statements arises primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. A reconciliation of the government-wide and the fund financial statement is provided to illustrate these differences.

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the Authority. Additional information about the accounting practices of the Authority, investments of the Authority, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2022.

- ◆ The Authority's total assets exceeded total liabilities by \$23,774,565 (net position). Unrestricted net position for Governmental Activities was \$22,926,046. Restricted net position for debt service was \$848,519.
- ◆ Governmental activities revenues totaled \$86,455,854 while governmental activities expenses totaled \$66,299,233.

Florida Green Finance Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the Authority

The following schedule provides a summary of the assets, liabilities and net position of the Authority and is presented by category for comparison purposes.

Net Position

	Governmental Activities	
	2022	2021
Current assets	\$ 108,793,349	\$ 24,278,300
Restricted assets	25,990,286	4,021,735
Total Assets	<u>134,783,635</u>	<u>28,300,035</u>
Current liabilities	3,327,235	1,109,767
Non-current liabilities	107,681,835	23,572,324
Total Liabilities	<u>111,009,070</u>	<u>24,682,091</u>
Net position - restricted	848,519	56,136
Net position - unrestricted	22,926,046	3,561,808
Total Net Position	<u>\$ 23,774,565</u>	<u>\$ 3,617,944</u>

The increase in current assets is mainly related to the increase in assessments receivable.

The increase in total liabilities is the result of the issuance of additional long-term debt in the current year.

Florida Green Finance Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the Authority (Continued)

The following schedule provides a summary of the changes in net position of the Authority and is presented by category for comparison purposes.

Change in Net Position

	Governmental Activities	
	2022	2021
Program Revenues		
Charges for services	\$ 86,211,808	\$ 4,032,921
General Revenues		
Investment earnings	57	1,266
Miscellaneous	243,989	49,314
Total Revenues	<u>86,455,854</u>	<u>4,083,501</u>
Expenses		
General government	337,515	241,147
Physical environment	57,934,294	2,095,178
Interest and other charges	8,027,424	1,786,551
Total Expenses	<u>66,299,233</u>	<u>4,122,876</u>
Change in Net Position	20,156,621	(39,375)
Net Position - Beginning of Year	<u>3,617,944</u>	<u>3,657,319</u>
Net Position - End of Year	<u><u>\$ 23,774,565</u></u>	<u><u>\$ 3,617,944</u></u>

The increase in charges for services is mostly attributable to the increase in assessments levied for clean energy projects in the current year.

The increase in physical environment is related to the funding of qualifying energy improvements in the current year.

The increase in interest and other charges is related to the increase in interest and bond issuance costs in the current year.

Florida Green Finance Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

General Fund Budgetary Highlights

The budget exceeded actual expenditures for the year primarily because legal fee, miscellaneous and financial advisory fee expenditures were less than anticipated.

The budget was amended primarily for assessment roll and miscellaneous expenditures that were higher than anticipated in the original budget.

Debt Management

Governmental Activities debt includes the following:

- ◆ In April 2014, the Authority issued a \$49,556 PACE Financing Agreement to finance solar improvements. The initial funding was \$5,020. The balance outstanding at September 30, 2022 was \$3,990.
- ◆ In February 2018, the Authority issued \$2,595,469 Series 2018 (Dadeland Mall) Special Assessment Revenue Bonds. The Bonds were issued to finance certain qualifying energy improvements. The balance outstanding at September 30, 2022 was \$1,961,205.
- ◆ In June 2018, the Authority issued \$2,814,989 Series 2018 (Orlando International Premium Outlets) Special Assessment Revenue Bonds. In November 2018, the Authority amended and restated Special Assessment Revenue Bonds, Series 2018 (Orlando International Premium Outlets Project) for additional funding of \$2,747,301. The amended bond is represented as Special Assessment Revenue Bonds, Series 2018A (Orlando International Premium Outlets Project) for a total issuance amount of \$5,562,290. The Bonds were issued to finance certain qualifying energy improvements. The balance outstanding at September 30, 2022 was \$5,221,703.
- ◆ In April 2020, the Authority issued \$3,471,908 Series 2020-A (Avid Viera) Special Assessment Revenue Bonds. The Bonds were issued to finance certain qualifying energy improvements. The balance outstanding at September 30, 2022 was \$3,471,908.
- ◆ In September 2020, the Authority issued \$3,930,000 Series 2020-B (Home 2-Palm Bay) Special Assessment Revenue Bonds. The Bonds were issued to finance certain qualifying energy improvements. The balance outstanding at September 30, 2022 was \$3,930,000.
- ◆ In September 2020, the Authority issued \$5,643,500 Series 2020-C (Hyatt-Palm Bay) Special Assessment Revenue Bonds. The Bonds were issued to finance certain qualifying energy improvements. The balance outstanding at September 30, 2022 was \$5,643,500.

**Florida Green Finance Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Debt Management (Continued)

- ◆ In November 2020, the Authority issued \$3,340,018 Series 2020-D (Pruitt Health - Lutz) Special Assessment Revenue Bonds. The Bonds were issued to finance certain qualifying energy improvements. The balance outstanding at September 30, 2022 was \$3,340,018.
- ◆ In October 2021, the Authority issued \$37,650,000 Series 2021-1 (LeMeridien) Special Assessment Revenue Bonds. The Bonds were issued to finance certain qualifying energy improvements. The balance outstanding at September 30, 2022 was \$37,650,000.
- ◆ In December 2021, the Authority issued \$30,600,000 Series 2021-2 (Sharon - Palmetto) Special Assessment Revenue Bonds. The Bonds were issued to finance certain qualifying energy improvements. The balance outstanding at September 30, 2022 was \$30,600,000.
- ◆ In March 2022, the Authority issued \$5,335,050 Series 2022-1 (Pruitt Health - Pensacola) Special Assessment Revenue Bonds. The Bonds were issued to finance certain qualifying energy improvements. The balance outstanding at September 30, 2022 was \$5,335,050.
- ◆ In March 2022, the Authority issued \$7,200,000 Series 2022-2 (Certus – Waterford Lakes) Special Assessment Revenue Bonds. The Bonds were issued to finance certain qualifying energy improvements. The balance outstanding at September 30, 2022 was \$7,200,000.
- ◆ In July 2022, the Authority issued \$3,961,068 Series 2022-3 (Spanish Moss Apartments) Special Assessment Revenue Bonds. The Bonds were issued to finance certain qualifying energy improvements. The balance outstanding at September 30, 2022 was \$3,961,068.

Economic Factors and Next Year's Budget

The Authority anticipates continuing to work with the third-party administrator to issue additional bonds and loans for Enhanced Energy Products.

Request for Information

The financial report is designed to provide a general overview of Florida Green Finance Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Florida Green Finance Authority, Special District Services, Inc., 2501A Burns Road, Palm Beach Gardens, Florida 33410.

Florida Green Finance Authority
STATEMENT OF NET POSITION
September 30, 2022

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 424,631
Assessments receivable	108,318,918
Due from other governments	49,800
Restricted Assets	
Cash	25,990,286
Total Current Assets	<u>134,783,635</u>
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	192,597
Accrued interest	2,498,031
Bonds and loans payable	636,607
Total Current Liabilities	<u>3,327,235</u>
Non-Current Liabilities	
Bonds and loans payable	107,681,835
Total Liabilities	<u>111,009,070</u>
NET POSITION	
Restricted for debt service	848,519
Unrestricted	22,926,046
Total Net Position	<u><u>\$ 23,774,565</u></u>

See accompanying notes to financial statements.

Florida Green Finance Authority
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Primary government			
Governmental Activities			
General government	\$ (337,515)	\$ 148,773	\$ (188,742)
Physical environment	(57,934,294)	-	(57,934,294)
Interest and other charges	(8,027,424)	86,063,035	78,035,611
Total Governmental Activities	<u>\$ (66,299,233)</u>	<u>\$ 86,211,808</u>	<u>19,912,575</u>
	General revenues:		
	Investment earnings		57
	Miscellaneous		243,989
	Total General Revenues		<u>244,046</u>
	Change in Net Position		20,156,621
	Net Position - October 1, 2021		<u>3,617,944</u>
	Net Position - September 30, 2022		<u>\$ 23,774,565</u>

See accompanying notes to financial statements.

Florida Green Finance Authority
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2022

	Governmental Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
ASSETS				
Cash	\$ 424,631	\$ -	\$ -	\$ 424,631
Assessments receivable	4,466	108,314,452	-	108,318,918
Due from other governments	49,800	-	-	49,800
Restricted Assets				
Cash	-	6,529,516	19,460,770	25,990,286
Total Assets	<u>\$ 478,897</u>	<u>\$ 114,843,968</u>	<u>\$ 19,460,770</u>	<u>\$ 134,783,635</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	<u>\$ 192,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,597</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>4,466</u>	<u>108,314,452</u>	<u>-</u>	<u>108,318,918</u>
FUND BALANCES				
Restricted for debt service	-	6,529,516	-	6,529,516
Restricted for capital projects	-	-	19,460,770	19,460,770
Unassigned	<u>281,834</u>	<u>-</u>	<u>-</u>	<u>281,834</u>
Total Fund Balances	<u>281,834</u>	<u>6,529,516</u>	<u>19,460,770</u>	<u>26,272,120</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 478,897</u></u>	<u><u>\$ 114,843,968</u></u>	<u><u>\$ 19,460,770</u></u>	<u><u>\$ 134,783,635</u></u>

See accompanying notes to financial statements.

Florida Green Finance Authority
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2022

Total Governmental Fund Balances	\$ 26,272,120
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Assessments receivable in future years are recognized as deferred inflows at the fund level, however, these receivables were recognized as revenues in a prior year.	108,318,918
Long-term liabilities, including bonds and loans payable are not due and payable in the current period, and therefore, are not reported at the fund level.	(108,318,442)
Accrued interest expense for long-term debt is not a current financial use and; therefore, is not reported at the fund level.	<u>(2,498,031)</u>
Net Position of Governmental Activities	<u><u>\$ 23,774,565</u></u>

See accompanying notes to financial statements.

Florida Green Finance Authority
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

	Governmental Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
Revenues				
Special assessments	\$ 148,971	\$ 1,695,266	\$ -	\$ 1,844,237
Investment earnings	57	-	-	57
Miscellaneous	243,989	-	-	243,989
Total Revenues	<u>393,017</u>	<u>1,695,266</u>	<u>-</u>	<u>2,088,283</u>
Expenditures				
Current				
General government	337,515	-	-	337,515
Physical environment	-	-	57,934,294	57,934,294
Debt service				
Principal	198	378,349	-	378,547
Interest	287	3,187,522	-	3,187,809
Other	-	3,000	2,945,605	2,948,605
Total Expenditures	<u>338,000</u>	<u>3,568,871</u>	<u>60,879,899</u>	<u>64,786,770</u>
Excess revenues over/(under) expenditures	55,017	(1,873,605)	(60,879,899)	(62,698,487)
Other financing sources/(uses)				
Issuance of long-term debt	-	7,063,003	77,683,115	84,746,118
Transfers in	24,063	-	-	24,063
Transfers out	-	(24,063)	-	(24,063)
Total Other Financing Sources/(Uses)	<u>24,063</u>	<u>7,038,940</u>	<u>77,683,115</u>	<u>84,746,118</u>
Net change in fund balances	79,080	5,165,335	16,803,216	22,047,631
Fund Balances - October 1, 2021	<u>202,754</u>	<u>1,364,181</u>	<u>2,657,554</u>	<u>4,224,489</u>
Fund Balances - September 30, 2022	<u>\$ 281,834</u>	<u>\$ 6,529,516</u>	<u>\$ 19,460,770</u>	<u>\$ 26,272,120</u>

See accompanying notes to financial statements.

Florida Green Finance Authority
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 22,047,631
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Amounts reported for governmental activities in the Statement of Activities are different because:

Current payments on assessments receivable are recognized as unavailable revenues at the fund level. These payments were recognized as revenues in a prior year at the government-wide level. This is the current year change.	84,367,571
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The issuance of long-term debt is reflected as an other financing source at the fund level; however, it is an increase in non-current liabilities at the government-wide level.	(84,746,118)
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Principal payments on long-term debt are expenditures at the fund level; however, these payments reduce liabilities at the government-wide level.	378,547
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In the Statement of Activities, interest is accrued on outstanding and matured bonds; whereas in governmental funds, interest expenditures are reported when due. This is the change in accrued interest from the prior year.	<u>(1,891,010)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 20,156,621</u></u>
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See accompanying notes to financial statements.

Florida Green Finance Authority
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	\$ 236,536	\$ 148,172	\$ 148,971	\$ 799
Investment earnings	300	58	57	(1)
Miscellaneous	84,927	234,902	243,989	9,087
Total Revenues	<u>321,763</u>	<u>383,132</u>	<u>393,017</u>	<u>9,885</u>
Expenditures				
Current				
General government	421,763	372,529	337,515	35,014
Debt Service				
Principal	-	-	198	(198)
Interest	-	-	287	(287)
Total Expenditures	<u>421,763</u>	<u>372,529</u>	<u>338,000</u>	<u>34,529</u>
Revenues over/(under) expenditures	(100,000)	10,603	55,017	44,414
Other Financing Sources/(Uses)				
Transfers in	<u>-</u>	<u>-</u>	<u>24,063</u>	<u>24,063</u>
Net change in fund balances	<u>(100,000)</u>	<u>10,603</u>	<u>79,080</u>	<u>68,477</u>
Fund Balances - October 1, 2021	<u>100,000</u>	<u>199,780</u>	<u>202,754</u>	<u>2,974</u>
Fund Balances - September 30, 2022	<u>\$ -</u>	<u>\$ 210,383</u>	<u>\$ 281,834</u>	<u>\$ 71,451</u>

See accompanying notes to financial statements.

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's more significant accounting policies are described below.

1. Reporting Entity

Florida Green Finance Authority was established on June 11, 2012 pursuant to an Interlocal Agreement between the Town of Lantana and the Town of Mangonia Park (the "Originating Parties") and subsequent parties who have since become members of the Authority ("Parties") and the Florida Interlocal Cooperation Act of 1969, Chapter 163, Florida Statutes. The Authority was established for the purpose of issuing revenue bonds and other debt obligations to provide financing for the cost of certain improvements as defined by Section 163.08, Florida Statutes ("PACE ACT"), including energy efficiency improvements, renewable energy improvements and wind resistance improvements ("Qualifying Improvements"). The Authority shall exercise any or all powers granted under Sections 163.01 and 163.08, Florida Statutes as well as powers, privileges and authorities which the Originating Parties and Parties might exercise separately. The Authority is governed by an up to seven-member Board of Directors appointed by the governing bodies of each of the Originating Parties and five additional Directors. The authority plans to appoint one Director from each of the five geographic regions that make up the water management districts in Florida. These five Directors will be appointed by the first governing body that joins the Authority within each water management district.

As required by GAAP, these financial statements present the Florida Green Finance Authority (the primary government) as a stand-alone government. The reporting entity for the Authority includes all functions of government in which the Authority's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board, the Authority has not identified a component unit.

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting

The basic financial statements of the Authority are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by developer contributions and interest. Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as another financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

The underlying accounting system of the Authority is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

The Authority classifies fund balance according to the Governmental Accounting Standards Board Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The Authority has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by the state constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the Authority's management company.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

General Fund – The General Fund is the Authority’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund – Accounts for debt service requirements to retire the revenue bonds and loans issued by the Authority.

Capital Projects Fund – The Capital Projects Fund accounts for construction of certain qualifying improvements to properties within the boundaries of the Authority.

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets and non-current governmental liabilities, such as long-term debt, be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Liabilities, Deferred Inflows of Resources, and Net Position

a. Cash and Investments

Chapter 280, Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The Authority is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

b. Restricted Assets

Certain net position of the Authority will be classified as restricted assets on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors.

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

c. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The Authority utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. Formal budgets are adopted for the general fund. The legal level of budgetary control is at the fund level. As a result, deficits in the budget variance columns of the accompanying financial statements may occur. All budgeted appropriations lapse at year end.

d. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of net position/fund that is applicable to a future reporting period. The unavailable revenues are reported only at the fund level. The source of the unavailable revenues is assessments receivable on qualifying improvements to properties within the Authority. The revenues will be recognized in the period the amounts become available.

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

“Total fund balances” of the Authority’s governmental funds, \$26,272,120, differs from “net position” of governmental activities, \$23,774,565, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Fund Balance Sheet. The effect of the differences is illustrated below.

Deferred inflows of resources

The assessments receivable in future years are recognized as deferred inflows of resources at the fund level, however, these amounts were recognized as revenues at the government-wide level in a prior year.

Deferred inflows of resources	\$ <u>108,318,918</u>
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Long-term debt transactions

Long-term liabilities applicable to the Authority’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities are reported in the Statement of Net Position. Balances at September 30, 2022 were:

Bonds and loans payable	\$ <u>(108,318,442)</u>
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Accrued interest

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to the accrued interest on bonds.

Accrued interest	\$ <u>(2,498,031)</u>
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Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds, \$22,047,631, differs from the “change in net position” for governmental activities, \$20,156,621, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Assessments receivable

Revenues in the current period associated with the current year payments on assessments receivable were recognized as revenues at the government-wide level in a prior year.

Assessment revenues	\$ <u>84,367,571</u>
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Long-term debt transactions

Repayments of loan principal are reported as expenditures in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Principal payments	\$ 378,547
Issuance of long-term debt	<u>(84,746,118)</u>
Total	<u>\$ (84,367,571)</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in accrued interest payable	\$ <u>(1,891,010)</u>
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Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE C – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority follows the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2022, the Authority's bank balance and carrying value were \$26,414,917. Exposure to custodial credit risk was as follows. The Authority maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2022, the Authority held no investments.

Interest Rate Risk

The formal investment policy of the Authority conforms with State statutory requirements and bond indentures for investment maturities as a means of managing its exposure to increasing interest rates.

Credit Risk

The Authority's investments are limited by state statutory requirements and bond compliance. The Authority has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Authority places no limit on the amount it may invest in any one investment.

The types of deposits and investments and their level of risk exposure as of September 30, 2022 were typical of these items during the fiscal year then ended. The Authority considers any decline in fair value for certain investments to be temporary.

NOTE D – INTERFUND BALANCES

Interfund balances at September 30, 2022, consisted for the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>
		<u>\$ 24,063</u>

Transfer was due to closeout of the 2015 Debt Service Fund.

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE E – LONG-TERM DEBT

The following is a summary of debt activity for the Authority for the year ended September 30, 2022:

Long-term Debt at October 1, 2021	\$ 23,950,871
Issuance of long-term debt	84,746,118
Principal payments	<u>(378,547)</u>
Long-term Debt at September 30, 2022	<u>\$ 108,318,442</u>

Authority debt is comprised of the following at September 30, 2022:

Special Assessment Revenue Bonds, Series 2018
(Dadeland Mall Project)

\$2,595,469 Series 2018 Bonds (Dadeland Mall), interest at 5.6%, maturing November 1, 2028, payable semi-annually on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

\$ 1,961,205

Special Assessment Revenue Bonds, Series 2018A
(Orlando International Premium Outlet Project)

\$5,562,290 Series 2018A Bonds (Orlando Outlets), interest at 6.18%, maturing November 1, 2039, payable semi-annually on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

5,221,703

Special Assessment Revenue Bonds, Series 2020-A
(Avid Viera)

\$3,471,908 Series 2020-A Bonds (Avid Viera), interest at 6.5%, maturing November 1, 2046, payable semi-annually on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

3,471,908

Special Assessment Revenue Bonds, Series 2020-B
(Home 2-Palm Bay)

\$3,930,000 Series 2020-B Bonds (Home 2-Palm Bay), interest at 5.8%, maturing November 1, 2046, payable semi-annually on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

3,930,000

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE E – LONG-TERM DEBT (CONTINUED)

Special Assessment Revenue Bonds, Series 2020-C
(Hyatt-Palm Bay)

\$5,643,500 Series 2020-C Bonds (Hyatt-Palm Bay), interest at 5.8%, maturing November 1, 2046, payable semi-annually on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

5,643,500

Special Assessment Revenue Bonds, Series 2020-D
(Pruitt Health - Lutz)

\$3,340,018 Series 2020-D Bonds (Pruitt Health - Lutz), interest at 5.75%, maturing November 1, 2047, payable semi-annually on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

3,340,018

Special Assessment Revenue Bonds, Series 2021-1
(LeMeridien)

\$37,650,000 Series 2021-1 Bonds (LeMeridien), interest at 5%, maturing November 1, 2047, payable semi-annually on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

37,650,000

Special Assessment Revenue Bonds, Series 2021-2
(Sheraton - Palmetto)

\$30,600,000 Series 2021-2 Bonds (Sheraton - Palmetto), interest at 5.7%, maturing November 1, 2048, payable semi-annually on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

30,600,000

Special Assessment Revenue Bonds, Series 2022-1
(Pruitt Health - Pensacola)

\$5,335,050 Series 2022-1 Bonds (Pruitt Health - Pensacola), interest at 5.78%, maturing November 1, 2048, payable semi-annually on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

5,335,050

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE E – LONG-TERM DEBT (CONTINUED)

Special Assessment Revenue Bonds, Series 2022-2
(Certus - Waterford Lakes)

\$7,200,000 Series 2022-2 Bonds (Certus - Waterford Lakes), interest at 5.95%, maturing November 1, 2048, payable semi-annually on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

7,200,000

Special Assessment Revenue Bonds, Series 2022-3
(Spanish Moss Apartments)

\$3,961,068 Series 2022-3 Bonds (Spanish Moss Apartments), interest at 6.14%, maturing November 1, 2047, payable semi-annually on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

3,961,068

Loan Payable Due to Funding Group

\$5,020 for the initial funding related to the financing agreement to be repaid by the property owner over 20 years beginning May 1, 2017 at an interest rate of 6.16%.

3,990

Total Bonds and Loans Payable at September 30, 2022 \$ 108,318,442

Master Bond Resolution

On June 26, 2014, the Authority adopted Resolution 2014-03 which authorized the issuance of not to exceed \$2,500,000,000 Florida Green Finance Authority Revenue Bonds in various series for the purpose of providing funds to finance the cost of qualifying renewable energy, energy efficiency and conservation and wind resistance improvements for use by property owners within the jurisdiction of the Authority. The proceeds of the Bonds may be used only for purposes of funding Qualifying Improvements and expenses incidental thereto, as authorized by and in the manner set forth in the PACE Act. As of September 30, 2022, the Authority issued \$111,515,003.

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE E – LONG-TERM DEBT (CONTINUED)

Special Assessment Revenue Bonds, Series 2018 (Dadeland Mall Project)

In February 2018, the Authority issued \$2,595,469 Special Assessment Revenue Bonds, Series 2018 (Dadeland Mall Project). These bonds were issued to finance the cost of certain qualifying improvements for use by SDG Dadeland Associates, Inc. In addition, the Authority has entered into a financing agreement with SDG Dadeland Associates, Inc to provide up to \$2,351,080 to SDG Dadeland Associates, Inc. for the sole purpose of paying the cost of Qualified Improvement on a certain property. In connection with the agreement, the Authority has levied a non-ad valorem assessment on the property. Principal and interest on the Bonds are to be paid annually commencing May 1, 2018 through November 1, 2028.

Special Assessment Revenue Bonds, Series 2018A (Orlando International Premium Outlets Project)

In June 2018, the Authority issued \$2,814,989 Special Assessment Revenue Bonds, Series 2018 (Orlando International Premium Outlets Project). These bonds were issued to finance the cost of certain qualifying improvements for use by Orlando Outlet Owner, LLC. In addition, the Authority has entered into a financing agreement with Orlando Outlet Owner, LLC to provide up to \$2,607,890 to Orlando Outlet Owner, LLC for the sole purpose of paying the cost of Qualified Improvement on a certain property. In November 2018, the Authority amended and restated Special Assessment Revenue Bonds, Series 2018 (Orlando International Premium Outlets Project) for additional funding of \$2,747,301. The amended bond is represented as Special Assessment Revenue Bonds, Series 2018A (Orlando International Premium Outlets Project) for a total issuance amount of \$5,562,290. In addition, the Authority entered into a financing agreement with Orlando Outlet Owner, LLC to provide an addition \$2,747,301 to Orlando Outlet Owner, LLC for the sole purpose of paying the cost of Qualified Improvement on a certain property. In connection with the agreement, the Authority has levied a non-ad valorem assessment on the property. Principal and interest on the Bonds are to be paid annually commencing November 1, 2019 through November 1, 2039.

Special Assessment Revenue Bonds, Series 2020-A (Avid Viera)

In April 2020, the Authority issued \$3,471,908 Special Assessment Revenue Bonds, Series 2020-A (Avid Viera). These bonds were issued to finance the cost of certain qualifying improvements for use by Onyx Viera Hotel, LLC. In addition, the Authority has entered into a financing agreement with Onyx Viera Hotel, LLC to provide up to \$2,873,810 to Onyx Viera Hotel LLC for the sole purpose of paying the cost of Qualified Improvement on a certain property. In connection with the agreement, the Authority has levied a non-ad valorem assessment on the property. Interest on the Bonds are to be paid semi-annually commencing November 1, 2020 through November 1, 2046. Principal on the Bonds are to be paid annually commencing November 1, 2022 through November 1, 2046.

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE E – LONG-TERM DEBT (CONTINUED)

Special Assessment Revenue Bonds, Series 2020-B (Home 2-Palm Bay)

In September 2020, the Authority issued \$3,930,000 Special Assessment Revenue Bonds, Series 2020-B (Home 2-Palm Bay). These bonds were issued to finance the cost of certain qualifying improvements for use by AD1 Urban Palm Bay, LLC. In addition, the Authority has entered into a financing agreement with AD1 Urban Palm Bay, LLC to provide up to \$3,524,879 to AD1 Urban Palm Bay, LLC for the sole purpose of paying the cost of Qualified Improvement on a certain property. In connection with the agreement, the Authority has levied a non-ad valorem assessment on the property. Interest on the Bonds are to be paid semi-annually commencing November 1, 2020 through November 1, 2046. Principal on the Bonds are to be paid annually commencing November 1, 2022 through November 1, 2046.

Special Assessment Revenue Bonds, Series 2020-C (Hyatt-Palm Bay)

In September 2020, the Authority issued \$5,643,500 Special Assessment Revenue Bonds, Series 2020-C (Hyatt-Palm Bay). These bonds were issued to finance the cost of certain qualifying improvements for use by AD1 Urban Palm Bay Place, LLC. In addition, the Authority has entered into a financing agreement with AD1 Urban Palm Bay Place, LLC to provide up to \$5,071,282 to AD1 Urban Palm Bay Place, LLC for the sole purpose of paying the cost of Qualified Improvement on a certain property. In connection with the agreement, the Authority has levied a non-ad valorem assessment on the property. Interest on the Bonds are to be paid semi-annually commencing November 1, 2020 through November 1, 2046. Principal on the Bonds are to be paid annually commencing November 1, 2022 through November 1, 2046.

Special Assessment Revenue Bonds, Series 2020-D (Pruitt Health - Lutz)

In November 2020, the Authority issued \$3,340,018 Special Assessment Revenue Bonds, Series 2020-D (Pruitt Health - Lutz). These bonds were issued to finance the cost of certain qualifying improvements for use by Hillsborough Healthcare Properties, Inc. In addition, the Authority has entered into a financing agreement with Hillsborough Healthcare Properties, Inc. to provide up to \$2,798,267 to Hillsborough Healthcare Properties, Inc. for the sole purpose of paying the cost of Qualified Improvement on a certain property. In connection with the agreement, the Authority has levied a non-ad valorem assessment on the property. Interest on the Bonds are to be paid semi-annually commencing May 1, 2021 through November 1, 2047. Principal on the Bonds are to be paid annually commencing November 1, 2023 through November 1, 2047.

Special Assessment Revenue Bonds, Series 2021-1 (LeMeridien)

In October 2021, the Authority issued \$37,650,000 Special Assessment Revenue Bonds, Series 2021 (LeMeridien). These bonds were issued to finance the cost of certain qualifying improvements for use by Cohen Dania Beach Hotel, LLC. In addition, the Authority has entered into a financing agreement with Dania Beach Hotel, LLC to provide up to \$34,420,162 to Dania Beach Hotel, LLC for the sole purpose of paying the cost of Qualified Improvement on a certain property. In connection with the agreement, the Authority has levied a non-ad valorem assessment on the property. Interest on the Bonds are to be paid semi-annually commencing November 1, 2021 through November 1, 2047. Principal on the Bonds are to be paid annually commencing November 1, 2023 through November 1, 2047.

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE E – LONG-TERM DEBT (CONTINUED)

Special Assessment Revenue Bonds, Series 2021-2 (Sharaton - Palmetto)

In December 2021, the Authority issued \$30,600,000 Special Assessment Revenue Bonds, Series 2021-2 (Sharaton - Palmetto). These bonds were issued to finance the cost of certain qualifying improvements for use by 600 US41, LLC. In addition, the Authority has entered into a financing agreement with 600 US41, LLC to provide up to \$26,231,224 to 600 US41, LLC for the sole purpose of paying the cost of Qualified Improvement on a certain property. In connection with the agreement, the Authority has levied a non-ad valorem assessment on the property. Interest on the Bonds are to be paid semi-annually commencing May 1, 2022 through November 1, 2048. Principal on the Bonds are to be paid annually commencing November 1, 2024 through November 1, 2048.

Special Assessment Revenue Bonds, Series 2022-1 (Pruitt Health - Pensacola)

In March 2022, the Authority issued \$5,335,050 Special Assessment Revenue Bonds, Series 2022-1 (Pruitt Health - Pensacola). These bonds were issued to finance the cost of certain qualifying improvements for use by Escambia Healthcare Properties, Inc. In addition, the Authority has entered into a financing agreement with Escambia Healthcare Properties, Inc. to provide up to \$4,594,563 to Escambia Healthcare Properties, Inc. for the sole purpose of paying the cost of Qualified Improvement on a certain property. In connection with the agreement, the Authority has levied a non-ad valorem assessment on the property. Interest on the Bonds are to be paid semi-annually commencing May 1, 2022 through November 1, 2048. Principal on the Bonds are to be paid annually commencing November 1, 2024 through November 1, 2048.

Special Assessment Revenue Bonds, Series 2022-2 (Certus - Waterford Lakes)

In March 2022, the Authority issued \$7,200,000 Special Assessment Revenue Bonds, Series 2022-2 (Certus - Waterford Lakes). These bonds were issued to finance the cost of certain qualifying improvements for use by Waterford Lakes Holdings, LLC. In addition, the Authority has entered into a financing agreement with Waterford Lakes Holdings, LLC to provide up to \$6,272,560 to Waterford Lakes Holdings, LLC for the sole purpose of paying the cost of Qualified Improvement on a certain property. In connection with the agreement, the Authority has levied a non-ad valorem assessment on the property. Interest on the Bonds are to be paid semi-annually commencing May 1, 2022 through November 1, 2048. Principal on the Bonds are to be paid annually commencing November 1, 2024 through November 1, 2048.

Special Assessment Revenue Bonds, Series 2022-3 (Spanish Moss Apartments)

In July 2022, the Authority issued \$3,961,068 Special Assessment Revenue Bonds, Series 2022-3 (Spanish Moss Apartments). These bonds were issued to finance the cost of certain qualifying improvements for use by Spanish Moss Eco Apartments, LLC. In addition, the Authority has entered into a financing agreement with Spanish Moss Eco Apartments, LLC to provide up to \$3,219,000 to Spanish Moss Eco Apartments, LLC for the sole purpose of paying the cost of Qualified Improvement on a certain property. In connection with the agreement, the Authority has levied a non-ad valorem assessment on the property. Interest on the Bonds are to be paid semi-annually commencing November 1, 2022 through November 1, 2047. Principal on the Bonds are to be paid annually commencing November 1, 2025 through November 1, 2047.

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE E – LONG-TERM DEBT (CONTINUED)

Loan Payable Due to Funding Group

In September 2015, the Authority received \$5,020 for the initial funding related to the financing agreement. The amount will be repaid by the property owner over 20 years. The total assessment amount of \$5,496 includes capitalized interest and other costs.

PACE Financing Agreements – Conduit Debt

In April 2014, the Authority entered into a PACE financing agreement with a property owner in West Palm Beach, Florida, to facilitate the financing of qualifying improvements and to collect the repayment obligation through a non-ad valorem assessment on the property owner's property tax bill. The Authority is not obligated in any manner for the repayment of the debt. The agreement provides for a maximum disbursement amount of \$49,556. The loan was finalized in a prior year directly between the property owner and the bank and amounts were paid directly to the vendors, including closing costs and capitalized interest. The Authority began collection of assessments during the fiscal year ended September 30, 2017 of approximately \$9,000 per year over a seven-year period. The balance outstanding at September 30, 2022 is \$24,371. During the year, the Authority collected and disbursed \$8,365 related to this debt as the agent for the property owner.

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2022 are as follows:

Year Ending September 30,	Principal	Interest	Total
2023	\$ 636,607	\$ 6,026,897	\$ 6,663,504
2024	1,518,303	6,027,846	7,546,149
2025	2,406,714	5,906,965	8,313,679
2026	2,623,925	5,765,517	8,389,442
2027	2,771,748	5,613,509	8,385,257
2028-2032	15,284,222	25,559,439	40,843,661
2033-2037	19,266,924	20,768,305	40,035,229
2038-2042	24,345,379	14,562,488	38,907,867
2043-2047	30,250,087	7,019,785	37,269,872
2048-2049	9,214,533	442,538	9,657,071
Totals	<u>\$ 108,318,442</u>	<u>\$ 97,693,289</u>	<u>\$ 206,011,731</u>

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE E – LONG-TERM DEBT (CONTINUED)

Significant Bond Resolution Terms and Covenants

The Bond Indenture established certain amounts be maintained in a reserve account. In addition, the Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the Authority on assessments to property owners. The Authority agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

NOTE F – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no settled claims within the last three years,

NOTE G – THIRD PARTY ADMINISTRATOR

The Renew Financial Group, LLC is the Third Party Administrator for the Authority and is responsible for providing certain services for the design, implementation and administration of the Florida Green Energy Works Program.

NOTE H – AUTHORITY MEMBERS

At September 30, 2022, the Members of the Authority are as follows:

Town of Lantana	Charlotte County
City of Stuart	Hillsborough County
Town of Mangonia Park	Levy County
City of Sebastian	Orange County
City of West Palm Beach	Palm Beach County
Martin County	Brevard County
City of Boynton Beach	Citrus County
Pasco County	Lee County
Village of Tequesta	Manatee County
Escambia County	Marion County
City of Lake Worth	Miami-Dade County
City of Hollywood	Osceola County
City of Gulfport	Sarasota County
City of Margate	Seminole County
City of Fellsmere	Monroe County
Alachua County	Polk County
Broward County	Volusia County

Florida Green Finance Authority
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE I – SUBSEQUENT EVENTS

In December 2022, the Authority issued Special Assessment Revenue Bonds, Series 2022-4 (Certus Vero Beach) for \$8,640,000.

In February 2023, the Authority paid off Special Assessment Revenue Bonds, Series 2020-A (Avid Viera).



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

To the Board of Supervisors
Florida Green Finance Authority
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, as listed in the table of contents, of Florida Green Finance Authority, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated November 10, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Florida Green Finance Authority's internal control over financial reporting (internal control) as a basis for designing 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 Florida Green Finance Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Florida Green Finance Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 or significant deficiencies may exist that have not been identified.



To the Board of Supervisors
Florida Green Finance Authority

Report on Compliance and Other Matters

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

Purpose of this Report

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

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 10, 2023



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MANAGEMENT LETTER

To the Board of Supervisors
Florida Green Finance Authority
Florida

Report on the Financial Statements

We have audited the financial statements of the Florida Green Finance Authority as of and for the year ended September 30, 2022, and have issued our report thereon dated November 10, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent 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* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals 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 November 10, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding financial audit report.

Financial Condition and Management

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



To the Board of Supervisors
Florida Green Finance Authority

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Florida Green Finance Authority. It is management's responsibility to monitor the Florida Green Finance Authority's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2022.

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

As required by Section 218.39(3)(c) and Section 218.32(1)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Florida Green Finance Authority reported:

- 1) The total number of district employees compensated in the last pay period of the Authority's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation, defined as individuals or entities that receive 1099s, was paid in the last month of the Authority's fiscal year: 1
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: N/A
- 4) All compensation earned by or awarded to nonemployee independent contractors, defined as entities or individuals that receive 1099s, whether paid or accrued, regardless of contingency: \$0
- 5) Each construction project with a total cost of at least \$65,000 approved by the Authority that is scheduled to begin on or after October 1, 2021, together with the total expenditures for such project: N/A.
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Authority amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was amended, see below.

As required by Section 218.39(3)(c) and Section 218.32(1)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the Florida Green Finance Authority reported:

- 7) The rate or rates of non-ad valorem special assessments imposed by the Authority: \$334.48 - \$350,856.55 per unit.
- 8) The amount of special assessments collected by or on behalf of the District: \$1,844,237.
- 9) The total amount of outstanding bonds issued by the Authority and the terms of such bonds. See Note E.

To the Board of Supervisors
Florida Green Finance Authority

	Original Budget	Actual	Variance with Original Budget Positive (Negative)
Revenues			
Special assessments	\$ 236,536	\$ 148,971	\$ (87,565)
Investment earnings	300	57	(243)
Miscellaneous revenues	84,927	243,989	159,062
Total Revenues	<u>321,763</u>	<u>393,017</u>	<u>71,254</u>
Expenditures			
Current			
General government	421,763	337,515	84,248
Debt Service			
Principal	-	198	(198)
Interest	-	287	(287)
Total Expenditures	<u>421,763</u>	<u>338,000</u>	<u>83,763</u>
Excess of revenues over/(under) expenditures	(100,000)	55,017	155,017
Other Financing Sources/(Uses)			
Transfers in	<u>-</u>	<u>24,063</u>	<u>24,063</u>
Net changes in fund balance	(100,000)	79,080	179,080
Fund Balances - October 1, 2021	<u>100,000</u>	<u>202,754</u>	<u>102,754</u>
Fund Balances - September 30, 2022	<u>\$ -</u>	<u>\$ 281,834</u>	<u>\$ 281,834</u>

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Supervisors
Florida Green Finance Authority

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 10, 2023



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**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Florida Green Finance Authority
Florida

We have examined Florida Green Finance Authority's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2022. Management is responsible for Florida Green Finance Authority's compliance with those requirements. Our responsibility is to express an opinion on Florida Green Finance Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Florida Green Finance Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Florida Green Finance Authority's compliance with the specified requirements.

In our opinion, Florida Green Finance Authority complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2022.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 10, 2023