HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FLORIDA
(a discretely presented component unit of Miami-Dade County, Florida)
BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FLORIDA
(a discretely presented component unit of Miami-Dade County, Florida)
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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

INDEPENDENT AUDITORS' REPORT

CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Directors of the
Housing Finance Authority of Miami-Dade County, Florida
(a discretely presented component unit of Miami-Dade County, Florida)
Miami, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Housing Finance Authority of Miami-Dade County (the Authority), (a discretely presented component unit of Miami-Dade County, Florida) as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of September 30, 2022, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. 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 generally accepted auditing standards 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 would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of the Authority's proportionate share of the net pension liability - FRS, schedule of the Authority's contributions - FRS, schedule of the proportionate share of the net pension liability - HIS, the schedule of the Authority's contributions - HIS, and schedule of changes in total OPEB liability and related ratios on pages 3–7 and 34–38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 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, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 1, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

This section of the Housing Finance Authority of Miami-Dade County, Florida (the Authority) financial statement presents management's analysis of the Authority's financial performance during the fiscal year that ended on September 30, 2022. Please read this narrative in conjunction with the financial statements, which follow this section.

Financial Highlights

The Authority authorized issuance of $373,142,000 in mortgage revenue bonds to fund construction of 11 new multifamily developments. These developments will provide 1,948 new rental units in Miami-Dade County for low- and moderate-income residents.

In April 2011, approval was given to provide $8,000,000 of the Authority's own capital for purposes of purchasing mortgage-backed securities ("MBS") in lieu of issuing bonds in an unfavorable market. The To Be Announced ("TBA") program began purchasing MBSs in November 2011. The TBA program offers homebuyers a fixed rate of 3.625% for FHA loans. The Authority continued offering a deferred second mortgage at 0% interest in the amount of $10,000 to be used for down payment and closing costs for eligible borrowers. Since the beginning of the program, the Authority has provided mortgage financing for 568 families totaling $115,836,884.

Investment income for the fiscal year decreased by approximately $963,000, resulting in a $606,000 loss due to a decrease in the market value adjustment at year-end which was lower than the previous year. Prepayments of mortgages reduced the investment balances by approximately $1.8 million. Interest rates during the year remained consistent with prior year rates. Interest earned on the mortgage pools ranged from 2.93% to 4% for the year.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the Authority's financial statements. The Authority's financial statements includes: the government-wide and the fund financial statements; and the notes to the financial statements. This report also contains required supplementary information in addition to the financial statements themselves.

Required Basic Financial Statements

The Authority utilizes a governmental fund for its financial reporting purposes. This fund includes only the activities of the operating fund of the Authority, since the bonds authorized for single-family and multifamily bond programs (conduit debt) are not recorded as liabilities on the financial statements of the Authority.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities which provide information about the activities of the Authority as a whole and present a longer-term view of the Authority's finances.

These two statements report the net position of the Authority and changes in them. You can think of the Authority's net position – the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources – as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, regulations and new or changed government legislation.

The Authority reports this information using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The statement of net position includes all of the Authority's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

Required Basic Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information at the individual fund level. The Authority utilizes a single fund to account for its activities, a general fund, which reports information about the general operations of the Authority. These activities are reported in a governmental fund, which focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. This fund is reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The fund statements provide a detailed short-term view of the Authority's operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's operations.

Financial Analysis

Government-Wide Analysis

Our analysis of the financial statements of the Authority begins below. The statement of net position and the statement of activities report information about the Authority's activities that will help answer questions about the financial health or position of the Authority.

Net position

A summary of the Authority's statement of net position and statement of activities is presented in Table A-1 and Table A-2, respectively.

Table A-1
Condensed statements of net position (in thousands of dollars)

	2022	2021	Change	%
Cash and investments	$ 36,892	$ 33,442	$ 3,450	10.3%
Cash and investments, restricted	655	643	12	1.9%
Loans receivable	1,000	1,000	0	0.0%
Mortgage receivables, net of allowance	6,130	7,229	-1,099	-15.2%
Receivables - other	161	546	-385	-70.5%
Other assets	28	8	20	250.0%
Capital assets, net	497	6	491	8183.3%
Total assets	**45,363**	**42,874**	**2,489**	5.8%
Deferred outflows of resources - pension	457	333	124	37.2%
Total assets and deferred outflows of resources	**45,820**	**43,207**	**2,613**	6.0%
Current liabilities	3,067	1,903	1,164	61.2%
Long-term liabilities	2,082	809	1,273	157.4%
Total liabilities	**5,149**	**2,712**	**2,437**	89.9%
Deferred inflows of resources - pension	89	735	-646	-87.9%
Total liabilities and deferred inflows of resources	**5,238**	**3,447**	**1,791**	52.0%
Net investment in capital assets	8	6	2	33.3%
Restricted net position	1,655	1,643	12	0.7%
Unrestricted net position	38,919	38,112	807	2.1%
Total net position	**40,582**	**39,761**	**821**	2.1%

During the fiscal year, other assets increased due to the addition of the asset related to the operating lease per GASBS 87 along with the corresponding long-term liability.

Net position (Continued)

Table A-2
Condensed statement of activities (in thousands of dollars).

	2022	2021	Change	%
Fee income	3,611	3,084	527	17.1%
Investment income (loss)	(605)	358	(963)	-269.0%
Other revenue	16	19	(3)	-15.8%
Total operating revenues	**3,022**	**3,461**	**(439)**	-12.7%
General and administrative expenses	2,188	1,894	294	15.5%
Change in net position	**834**	**1,567**	**(733)**	-46.8%

The increase in fee income is attributable to the 11 multifamily bond issues that closed during the year. The average interest rate was below 1% on general investments; the decrease in investment income was a result of the decrease in market values for all investments; the mortgage pools owned by the Authority earned rates ranging from 2.93% to 4% which is consistent with prior years. General and administrative expenses increased due to an increase in contributions for affordable housing and pension expense.

Individual Fund Analysis

Fund balance for the general fund increased from $40.9 million to $41.8 million over the prior year. Since the Authority only has the general fund as the only governmental fund, the explanations provided above for the statement of activities regarding changes in net position also applies to the change in fund balance.

General Fund Budgetary Highlights

Operating expenditures were higher than budget resulting from an increase in contributions to the Miami-Dade Affordable Housing Foundation and pension expenses.

Capital Assets and Long-Term Debt

Capital Assets

As of September 30, 2022 the Authority's investment in capital assets amounted to $497,228 net of accumulated depreciation.

Long-Term Debt

As of September 30, 2022 the Authority had $290,767 and $1,314,565 in outstanding long-term debt related to accrued compensated absences for Authority staff, net pension liability and OPEB liability. The issuance of single family and multifamily bonds is not considered debt to the Authority since it is issued as conduit debt and as a result, is not recorded in the Authority's financial records. To date the Authority has authorized over $4.084 billion in single family and multifamily bonds since its inception.

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

Economic Factors and Next Year's Budget and Rates

The Authority's management considers many factors when setting the fiscal year 2022 budget. These factors include the expected demand of the Board Members, which in turn consider such factors as anticipated population growth of the county and the economy of the region as a whole.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's financial position. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, 7855 NW 12 Street, Suite 202, Doral, Florida 33126.

BASIC FINANCIAL STATEMENTS

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FLORIDA
(a discretely presented component unit of Miami-Dade County, Florida)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	$ 24,831,805
Investments	12,060,036
Receivables	161,272
Cash and cash equivalents - restricted	655,202
Total current assets	37,708,315
Noncurrent assets:	
Mortgage receivables	6,130,129
Note receivable from Hampton Village	500,000
Note receivable from Town Center	500,000
Other assets	6,230
Prepaid items	21,336
Capital assets, net	497,228
Total noncurrent assets	7,654,923
Total assets	45,363,238
DEFERRED OUTFLOWS OF RESOURCES	
Pension	456,881
LIABILITIES	
Current liabilities:	
Accounts payable	863
Accrued payroll	29,328
Net pension liability due within one year	266
Compensated absences	33,623
Unearned revenue	923,902
Deposits	2,078,900
Total current liabilities	3,066,882
Noncurrent liabilities:	
Compensated absences	257,144
Net pension liability	1,277,299
OPEB liability	36,748
Lease liability	511,021
Total noncurrent liabilities	2,082,212
Total liabilities	5,149,094
DEFERRED INFLOWS OF RESOURCES	
Pension	88,553
Total deferred inflows of resoures	88,553
NET POSITION	
Net investment in capital assets	8,250
Restricted	1,655,202
Unrestricted	38,919,020
Net Position	$ 40,582,472

The accompanying notes are an integral part of the basic financial statements.

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FLORIDA
(a discretely presented component unit of Miami-Dade County, Florida)
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Program expenses:	
Salaries and benefits	$ 1,360,293
Operating expenses	733,471
Depreciation	94,525
Total program expenses	2,188,289
Program revenues:	
Charges for services	3,611,423
Total program revenues	3,611,423
Net program expenses	(1,423,134)
General revenues:	
Investment income	(605,549)
Other revenue	16,248
Total general revenues	(589,301)
Change in net position	833,833
Net position, beginning	39,760,779
Prior period adjustment (See Note 11)	(12,140)
Net position, beginning, as restated	39,748,639
Net position, ending	$ 40,582,472

The accompanying notes are an integral part of the basic financial statements.

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FLORIDA
(a discretely presented component unit of Miami-Dade County, Florida)
BALANCE SHEET–GOVERNMENTAL FUND
SEPTEMBER 30, 2022

		General Fund
ASSETS		
Cash and cash equivalents	$	24,831,805
Investments		12,060,036
Receivables		161,272
Mortgage receivables, net		6,130,129
Note receivable from Hampton Village		500,000
Note receivable from Town Center		500,000
Other assets		6,230
Prepaid items		21,336
Cash and cash equivalents - restricted		655,202
Total assets	$	44,866,010
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$	863
Accrued payroll		29,328
Unearned revenue		923,902
Deposits		2,078,900
Total liabilities		3,032,993
Fund balance:		
Nonspendable:		
Prepaid expenses		21,336
Long-term mortgage receivables		6,130,129
Restricted for:		
McKinney Act funds		1,655,202
Assigned for:		
Future program expenditures		34,026,350
Total fund balance		41,833,017
Total liabilities and fund balance	$	44,866,010

Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	$	497,228
Deferred outflows and inflows of resources related to pensions are recorded in the statement of net position.		368,328
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statement:		
Compensated absences		(290,767)
Total OPEB liability		(36,748)
Net pension liability		(1,277,565)
Lease Liability		(511,021)
Net position of governmental activities (page 8)	$	40,582,472

The accompanying notes are an integral part of the basic financial statements.

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FLORIDA
(a discretely presented component unit of Miami-Dade County, Florida)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	General Fund
REVENUES:	
Multi-family bond issues	$ 3,541,243
Single-family bond issues	70,180
Investment earnings	(605,549)
Other revenue	16,248
Total revenues	3,022,122
EXPENDITURES:	
Salaries and benefits	1,314,186
Operating exenditures	868,187
Total expenditures	2,182,373
Excess (deficiency) of revenues over expenditures	839,749
Fund balance, beginning of year	40,993,268
Fund balance, end of year	$ 41,833,017

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balance	$ 839,749
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives	
Expenditures for capital outlays	3,962
Less current year depreciation	(94,525)
Some expenses reported in the statement of activities do not require the use of financial resources and therefore are not reported as expenditures in the governmental funds.	
Compensated absences	47,519
OPEB expense	(4,216)
Pension expense	(41,891)
Lease liability	83,235
Change in net position of governmental activities (page 9)	$ 833,833

The accompanying notes are an integral part of the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Housing Finance Authority of Miami-Dade County, Florida (the Authority) (a discretely presented component unit of Miami-Dade County, Florida) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

A. Reporting Entity

The Authority was created by an act of the state legislature and by County Ordinance 78-89 adopted on December 12, 1978. The Authority is a semi-autonomous component unit of Miami-Dade County, Florida (the County). The Authority's principal function is to provide financing for residential housing to be occupied by persons or families of moderate, middle or lesser income.

On December 6, 2011, the County passed and adopted Ordinance 11-99 amending Section 2-191.7 of the Code of Miami-Dade County, pertaining to the Authority. This ordinance eliminates the need for the Board of County Commissioners of Miami-Dade County, Florida (the BCC) to approve in advance (i) the issuance and sale of bonds (other than for purposes of TEFRA) by the Authority; (ii) the rules and regulations for the Authority program eligibility; and (iii) contracts to be entered into by the Authority. The BCC appoints the thirteen members of its governing Board. The BCC also has the ability to remove appointed members of the Authority's Board without cause by a three-fifths vote of the governing body of the County per Section 159.607 of the Florida Statutes. As a result of the BCC's ability to appoint and remove members of the Authority's Board, the Authority is reported as a discretely presented component unit of the County and is reported in a separate column in the County's government-wide financial statements.

The Authority assists developers of multifamily housing projects in obtaining debt and/or equity financing from various sources. The related debt is collateralized by the constructed property and is not an obligation of the County or the Authority. Financing for single-family housing is facilitated by the Authority and takes the form of debt securities sold to the general public through an underwriter or underwriters. The net proceeds from the sale of these debt securities are remitted to a trustee, who in turn holds these funds until mortgage loans, which are made to qualified single family home buyers, are sold in the secondary market. The related debt securities are collateralized by these mortgage loans and are not an obligation of the County or the Authority.

Debt obligations, issued under the purview of the Authority, although for the public and economic benefit of Miami-Dade County, Florida, taken as a whole, do not and shall never constitute an indebtedness, liability, general or moral obligation or a pledge of the faith or loan of credit of the Authority or of the County. Accordingly, such obligations are not included within the accompanying financial statements.

B. Government-wide and fund financial statements

These financial statements have been prepared in conformity with reporting guidelines established by the Governmental Accounting Standards Board (GASB) and were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

The following types of financial statements are reported by the Authority:

Fund Financial Statements - Separate financial statements are provided for the Authority's General Fund, as described below:

Governmental Fund Type - General Fund - The General Fund, a governmental fund type, is used to account for all operations of the Authority. The measurement focus of the General Fund is the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on its balance sheet. The statement of revenues, expenditures, and changes in fund balance presents sources (revenues and other financial sources) and uses (expenditures and other financial uses) of available spendable resources during the period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and fund financial statements (Continued)

Government-wide 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 activities of the Authority. Governments typically report activities as either *governmental activities,* which normally are supported by taxes and intergovernmental revenues or *business-type activities,* which rely to a significant extent on fees and charges for support. The Authority reports only governmental activities as it has no business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges for services (charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function) and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues.* Since the Authority's primary mission (function) is economic development, all revenues and expenses are considered to be for this purpose and the accompanying financial statements do not segregate beyond this function.

C. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting also refers to the timing of the measurements made regardless of the measurement focus applied.

<u>Governmental Fund Financial Statements</u> - The Authority uses the modified accrual basis of accounting under which revenues are recorded when measurable and available to finance operations during the current period. Revenues of the Authority from fees are recorded in the accounting period in which they are earned. The Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when obligations are incurred, except for expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due.

<u>Government-wide Financial Statements</u> - 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Intergovernmental and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the Authority receives cash.

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

D. Cash and Cash Equivalents

The Authority’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

E. Investments

The Authority has entered into various investment agreements with bond trustees who have invested securities on behalf of the Authority in compliance with investments policies governed by state statute and the Authority. Participating investments are carried at fair value throughout the term of the securities. For further information on the fair value measurement refer to Note 3.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Investments (Continued)

Realized gains and losses on the sale of investments, as well as unrealized gains and losses on investments, are recorded as a component of investment income in the statements of revenues, expenditures and changes in fund balance and the statement of activities.

F. Receivables

Receivables are carried at original cost less principal collections. Servicing of mortgage receivables are provided through approved servicing organizations on behalf of the Authority. Servicing costs are recorded as a reduction of the interest income. An allowance of $571,308 has been established for the mortgage receivables based on management's projections of losses. The allowance will be evaluated on an annual basis.

G. Capital Assets

Capital assets, which includes equipment and computers, are recorded as capital outlay expenditures in the General Fund at the time goods are received and a liability is incurred. These assets are then capitalized at cost in the statement of net position. The capitalization threshold set by the Authority is $1,000. Capital assets are depreciated using the straight-line method over five to seven years. The depreciation expense is recorded in the statement of activities.

H. Compensated Absences

Authority employees may accumulate unused vacation, sick and holiday leave (collectively "Leave Time"). Such accumulated Leave Time is payable to employees upon termination or retirement at the rate of pay on that date. The accumulated leave is recorded in the statement of net position.

I. Revenues

Revenues are derived from the following sources:

- Multifamily fees are collected from the developers of multifamily projects and consist primarily of periodic fees paid to the Authority based on a specified percentage of the outstanding principal balances of the long-term debt which financed the projects. The Authority may also collect fees from multifamily project developers at the time of application and upon closing of the related long-term debt. Multifamily fee structures and rates are established for each project in accordance with the long-term debt agreement.

- Single-family fees are remitted to the Authority by the trustee, based on pre-established rates and payment dates set forth in bond indentures. Single-family revenues are also earned from amounts remaining in funds and accounts pursuant to bond indentures.

J. Fund Balance/Net Position

In the fund financial statements, fund balances of the governmental fund is classified as follows:

- ***Non-spendable*** — Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

- ***Restricted*** — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Balance/Net Position (Continued)

- ***Committed*** — Amounts that can be used only for specific purposes determined by a formal action of the Board of the Authority. A resolution approved by the Board is the highest level of decision-making authority for the Authority. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

- ***Assigned*** — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

- ***Unassigned*** — All other spendable amounts.

In the government-wide financial statements, net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and are reported in three categories as hereafter described.

- ***Investment in capital assets*** — Represents capital assets, net of accumulated depreciation.

- ***Restricted net position*** — Amounts with legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. Total restricted net position of $1,655,202 at September 30, 2022 represent primarily restriction of funds under the McKinney Act.

- ***Unrestricted net position*** — Net position that does not meet the definitions of the classifications previously described.

K. Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority’s policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

- **Excesses of expenditures over appropriations** - For the fiscal year ended September 30, 2022, expenditures exceeded appropriations in the General Fund for total salaries of $57,686. The over expenditure was funded by available fund balance in the General Fund.

L. Fund Balance Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of nonspendable and assigned fund balance). In order to calculate the amounts to report as nonspendable, restricted for and assigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority’s policy to consider restricted fund balance to have been depleted before using any of the components of assigned fund balance. Assigned fund balance is applied last, unless the Authority’s Board has provided otherwise in its commitment or assignment actions by either ordinance or resolution.

M. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets. Although those estimates are based on management’s knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

As of September 30, 2022, cash and cash equivalents reported in the statement of net position consist of deposits of $7,060,314 and money market funds held at trustee banks of $18,426,693 totaling $25,487,007.

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. In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

The $19,946,995 of cash and cash equivalents held at trustee banks are classified as investments for the purpose of GASB Statement No. 40 disclosures and therefore not subject to custodial credit risk. For presentation on the face of the statement of net position, these funds are classified as cash equivalents.

The Authority maintains $1,655,502 of its cash balances in a financial institution which at times may exceed the federally insured limits. The Authority has not experienced any losses in such accounts. The balances at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At September 30, 2022, cash exceeded the FDIC coverage by approximately $1,405,502. Management believes cash is held at high quality financial institutions which limits this risk.

Investments

Custodial Credit Risk
Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Authority's investments are held by the investment's counterparty, in the name of the Authority. The Authority's investment policy also requires the execution of a Custodial Safekeeping Agreement (CSA) for all purchased securities and shall be held for the credit of the Authority in the account separate and apart from the assets of the financial institutions.

Interest Rate Risk
Interest rate risk exits when there is possibility that changes in interest rates could adversely affect an investment's fair value. The Authority's investment policy limits interest rate risk by requiring the matching of known cash needs and anticipated net cash flow requirements; following historical spread relationships between different security types and issuers; evaluation both interest rate forecasts and maturity dates to consider short-term market expectations.

At September 30, 2022, the carrying value of investments of the Authority included the following:

	Fair Value	Credit Rating (S&P/Moody's/Fitch)	Less 1 Year	1-5 Years	6-10 Years	Over 10 Years
Federal National Mortgage Association	$ 2,946,630	AA+/Aaa/AAA	$ -	$ 1,937,319	$ 509,842	$ 499,469
Government National Mortgage Association Pool	1,310,669	AA+/Aaa/AAA	-	227,190	520,519	562,960
Federal Home Loan Bank	5,622,071	AA+/Aaa/AAA	-	5,622,071	-	-
Federal Farm Credit Bank	1,992,455	AA+/Aaa/AAA	1,992,455	-	-	-
FHLMC	188,213	AA+/Aaa/AAA	-	-	-	188,213
Money Market Funds	15,879,840	n/a	18,426,694	-	-	-
	$ 27,939,878		$ 20,419,149	$ 7,786,580	$ 1,030,361	$ 1,250,642

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk
Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Authority's investment policy minimizes credit risk by restricting authorized investments, among others, to: savings accounts and certificates of deposit in qualified public depositories, pursuant to Florida Statutes 280.02; direct obligations of the United States Treasury; and federal agencies and instrumentalities; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized agency; and obligations of the Federal National Mortgage Association.

The Authority does not participate in any derivative transactions.

Concentration of Credit Risk
GASB Statement No. 40 requires disclosure of investments in any one issuer that represents 5% or more of the total of the Authority's investments. Conversely, investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds or pools are excluded from the concentration of credit risk disclosure requirement.

The Authority's investment policy does not have limits on the amounts invested by investment type.

As of September 30, 2022 the following issuers held 5% or more of the investment portfolio:

Issuer	% of Portfolio
Federal National Mortgage Association	24.43%
Government National Mortgage Association Pool	10.87%
Federal Home Loan Bank	46.62%
Federal Farm Credit Bank	16.52%

The Authority has investments in a combination of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statements of net position and the statements of activities. The Authority, through its investment advisors, monitors the Authority's investments and the risks associated therewith on a regular basis, which the Authority believes minimizes these risks.

A reconciliation of deposits and investments as shown on the statement of net position is as follows:

Per Statement of Net Position		By Category	
Cash and cash equivalents	24,831,805	Deposits	7,022,662
Cash and cash equivalents (restricted)	655,202	Investments	30,524,381
Investments	12,060,036		$ 37,547,043
	$ 37,547,043		

NOTE 3 – FAIR VALUE MEASUREMENTS

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 – FAIR VALUE MEASUREMENTS (CONTINUED)

The Authority has the following recurring fair value measurements as of September 30, 2022:

		Fair Value Measurements at Reporting Date		
September 30, 2021	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal National Mortgage Association (FNMA)	$ 2,946,630	$ -	$ 2,946,630	$ -
Government National Mortgage Association (GNMA)	1,310,668	-	1,310,668	-
Federal Home Loan Bank	5,622,071	-	5,622,071	-
Federal Farm Credit Bank	1,992,454	-	1,992,454	-
FHLMC	188,213	-	188,213	-
Total investments	$ 12,060,036	$ -	$ 12,060,036	$ -

The Authority's investments of $12,060,036 classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 4 – MORTGAGE RECEIVABLES

Series 2004A Bonds
As part of the Authority's Home Ownership Mortgage Revenue Bond Program, Series 2004A loan program, the Authority executed unsecured second mortgages for qualifying participants. The second mortagages are non-interest bearing with level principal payments due at the beginning on the fifth anniversary of the loan for the next twenty-five years.

As of September 30, 2022, the balance outstanding on these mortgage receivables was $57,369.

Series 2005A Bonds
As part of the Authority's Home Ownership Mortgage Revenue Bond Program, Series 2005A "80/20" loan program, the Authority executed unsecured second mortgages for qualifying participants. The second mortagages are non-interest bearing with level principal payments due at the beginning on the fifth anniversary of the loan for the next twenty-five years.

As of September 30, 2022, balance outstanding on these mortgage receivables was $504,516.

Series 2006A Bonds
As part of the Authority's Home Ownership Mortgage Revenue Bond Program, Series 2006A "80/20" loan program, the Authority executed unsecured second mortgages for qualifying participants. The second mortagages are non-interest bearing with level principal payments due at the beginning on the fifth anniversary of the loan for the next twenty-five years.

As of September 30, 2022, balance outstanding on these mortgage receivables was $370,955.

Series 2006B Bonds
As part of the Authority's Home Ownership Mortgage Revenue Bond Program, Series 2006B "80/20" loan program, subordinated bond proceeds were used to provide second mortgages for qualifying participants. In June 2016, the Authority redeemed the bonds in full and as a result of the redemption, the mortgages were released from the indenture and transferred to the Authority. The second mortagages are non-interest bearing with level principal payments due at the beginning on the fifth anniversary of the loan for the next twenty-five years.

As of September 30, 2022, balance outstanding on these mortgage receivables was $594,893.

NOTE 4 – MORTGAGE RECEIVABLES (CONTINUED)

Series 2007A Bonds

As part of the Authority's Home Ownership Mortgage Revenue Bond Program, Series 2007A loan program, the Authority executed unsecured second mortgages for qualifying participants in the amount of $10,000. The second mortagages are deferred thirty year, non-interest bearing loans that are repayable if the property is rented, leased, sold or otherwise transferred or when the first mortgage is paid off.

As of September 30, 2022, the balance outstanding on these mortgage receivables was $70,000.

Series 2009A Bonds
As part of the Authority's Home Ownership Mortgage Revenue Bond Program, Series 2009A loan program, the Authority executed unsecured second mortgages for qualifying participants. The second mortagages are deferred thirty year, non-interest bearing loans that are repayable if the property is rented, leased, sold or otherwise transferred or when the first mortgage is paid off. Eligible borrowers received up to $10,000 to assist with down payment or closing costs.

As of September 30, 2021, the balance outstanding on these mortgage receivables was $4,880,154.

GREEN Mortgage
In an effort to increase the construction of sustainable homes within the County, the Authority has created a "Green" mortgage for borrowers purchasing a home that has been LEED certified. The mortgage is a 0% deferred second mortgage for the term of the first mortgage. Thereafter the principal becomes fully amortized over fifteen years in level monthly payments.

As of September 30, 2022, the balance outstanding on these mortgage receivables was $223,550.

A reconciliation of mortgage receivables as shown on the statement of net position is as follows:

Program	
Series 2004A Bonds	$ 57,369
Series 2005A Bonds	504,516
Series 2006A Bonds	370,955
Series 2006B Bonds	594,893
Series 2007A Bonds	70,000
Series 2009A Bonds	4,880,154
GREEN Mortgage	223,550
Sub-total	6,701,437
Allowance for uncollectable accounts	(571,308)
	$ 6,130,129

The Authority has established an allowance for doubtful accounts of $571,308. The allowance will be evaluated yearly and adjusted based on collection history of the mortgage receivables.

NOTE 5 – NOTES RECEIVABLE

Note Receivable – Town Center
On February 1, 2013, the Authority loaned $500,000 from McKinney Act funds to RUDG-Town Center LLC to supplement other funds used to fund the acquisition, construction, development and equipping of a one hundred twenty-seven (127) unit affordable multifamily residential project located in Miami-Dade County. The principal of the loan is due in full on the maturiy date (February 1, 2053). Interest accrues on the principal at one percent (1%) per year and is payable from available cash flow (as defined in the loan agreement) on May 1 of each year. In the event there is insufficient available cash flow to make all or a portion of the interest payment, the amount due shall carry over to the next succeeding year until paid.

The note receivable is subordinate to the projects 1st, 2nd and 3rd mortgages and secured by a mortgage on the project.

Since the $500,000 used by the Authority were from McKinney Act funds any interest received on the note receivable will be deposited in McKinney Act fund accounts and recorded as program income. The Authority has recorded the $500,000 as part of restricted net position.

Note Receivable – Hampton Village
On December 1, 2012, the Authority agreed to loan $500,000 from McKinney Act funds to Hampton Village Apartments LLC to supplement other funds used to fund the acquisition, construction, development and equipping of a one hundred (100) unit affordable multifamily residential project located in Miami-Dade County. The principal of the loan is due in full on the maturiy date (December 1, 2052). Interest accrues on the principal at one percent (1%) per year and is payable from available cash flows (as defined in the loan agreement) on May 1 of each year. In the event there is insufficient available cash flow to make all or a portion of the interest payment, the amount due shall carry over to the next succeeding year until paid.

The note receivable is subordinate to the projects 1st, 2nd, 3rd and 4th mortgages and secured by a mortgage on the project.

Since the $500,000 used by the Authority were from McKinney Act funds, any interest received on the note receivable will be deposited in McKinney Act fund accounts and recorded as program income. The Authority has recorded the $500,000 as part of restricted net position.

NOTE 6 – CAPITAL ASSETS

The following summarizes capital asset activity for the fiscal year ended September 30, 2022 as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Equipment	$ 12,596	$ -	$ -	$ 12,596
Computers	22,553	3,962	-	26,515
Right-of-use-asset	675,256	-	93,140	582,116
	710,405	3,962	-	621,227
Less: Accumulated depreciation	(29,474)	(94,525)	-	(123,999)
Total	$680,931	$(90,563)	$ -	$497,228

NOTE 7 – COMPENSATED ABSENCES

The following changes in compensated absences occurred during the fiscal year ended September 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Compensated absences	$338,286	$ 87,509	$(135,028)	$290,767	$ 33,623

NOTE 8 – LINE OF CREDIT AGREEMENT

On September 24, 1998, the Authority entered into a line of credit agreement with the Federal Home Loan Bank for an amount not to exceed $30,000,000. In 1999, the agreement was amended for the credit line not to exceed $50,000,000. The agreement does not have an expiration date. Proceeds from the line of credit will be drawn down to redeem single family bonds subject to redemption from prepayments, excess revenues or as a result of scheduled principal maturities.

Cash collateral to secure draws on the revolving line of credit is transferred to the Federal Home Loan Bank by the bond trustee. This collateral represents principal prepayments, excess revenues and scheduled principal maturities in connection with the respective single family bond issues.

The collateral security is to be provided in the amount of the draws outstanding. Interest on the line will accrue at a rate not to exceed the rate on the collateral security provided by the bank, plus seven basis points, and is payable monthly. The line is payable in full at the earlier of the issuance of single-family housing mortgage revenue bonds from which the draws may be repaid or within twelve months of the original date of the draw. There was no line of credit activity during 2022 and the balance on the line of credit was $0 as of September 30, 2022.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Financial Advisor Agreement
The Authority has an agreement for financial advisory services under which the Authority pays the financial advisor a fee of $1.40/$1,000 of the original principal amount of bonds issued, or $35,000 for single family bond issue (or $48,500 for multi-family bond issue), whichever is greater, in addition to expenses incurred. Additionally, the Authority pays the financial advisor for ongoing financial advisory services on a quarterly basis. Such fees totaled $45,000 for the fiscal year ended September 30, 2022.

Multifamily Monitoring Agreement
The Authority has an agreement with First Housing Development Corporation to help monitor compliance with the multifamily projects and provide compliance training to Authority staff. The agreement provides for a yearly increase in fees of 4%. The fees totaled $77,039 for the fiscal year ended September 30, 2022.

Litigation, Claims and Assessments
In the opinion of management, there are no legal proceedings involving the Authority, which could have a material impact on the accompanying financial statements.

Risk Management
The Authority 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 Authority is insured. There have been no reductions in insurance coverage from coverages in the prior year and there have been no claims settled which have exceeded insurance coverage for each of the past three years.

NOTE 10 – LEASES

The Authority entered into a new lease on December 13, 2017 for office space for a period of five years ending December 31, 2022. During September 2022, the Authority amended the original lease agreement to include an expansion of the office premises for a period of five years ending December 31, 2027 at an interest rate of 9.50%.

Lease agreements are summarized as follows:

Lease	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance September 30, 2022
Office Lease	10/1/2021	5	$ 84,291	1.30%	$ 675,256	$ 511,021
	Total Lease Agreement					$ 511,021

Annual requirements to amortize longterm obligations and related interest are as follows:

Year Ending September 30	Principal	Interest	Total Payment
2023	$ 88,820	$ 1,126	$ 89,946
2024	93,192	1,181	94,373
2025	96,920	1,228	98,149
2026	100,797	1,277	102,075
2027	131,291	1,664	132,955
	$ 511,021	$ 6,476	$ 517,497

NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT

For 2022, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Authority's 2022 financial statements and had an effect on the beginning net position of the Governmental Activities. The Authority recognized $582,117 in net book value for the intangible right to use and a lease liability of $594,257 for a building leased in December 13, 2017.

The implementation of GASB Statement No. 87 had the following effect on net position as reported September 30, 2021:

	Governmental Activities
Net Position September 30, 2022	$ 39,760,779
Adjustments:	
Net Book Value Leased Asset	582,117
Lease Liability	(594,257)
Restated Net Position September 30, 2022	$ 39,748,639

NOTE 12 – RELATED PARTY TRANSACTIONS

Miami-Dade Affordable Housing Foundation, Inc.

The Miami-Dade Affordable Housing Foundation, Inc. (the "Foundation") a 501(c)(3) not-for-profit organization, was created to increase the ability of low and moderate income families to attain home ownership by providing affordable mortgage financing, support community and economic development in the area of housing, and lessen the impact of the demand for affordable housing on local governmental resources.

The Authority and the Foundation continue to assist low and moderate income individuals and families in saving money to purchase a home. Funds saved by qualified members of the Foundation's Home Buyer's Club are matched dollar-to-dollar up to a maximum of $5,000 to be used as payment of closing costs. Since its inception in 2001, 289 accounts have been opened of which none remain active. During the fiscal year ended September 30, 2022, the Authority paid $0 to the Foundation as matching funds.

On December 14, 2015, the Authority board approved a request from the Foundation for a line of credit in an amount not to exceed $2,000,000, for purposes of constructing affordable single family homes in Miami-Dade County. The terms of the agreement are for five years with an option to renew at the sole discretion of the Authority for an additional five years and the line of credit carries an interest of 0% per annum. The Authority retains control of the funds and all interest earnings. As of September 30, 2022, the Foundation has drawn $0 from the line of credit.

NOTE 13 – CONDUIT DEBT OBLIGATIONS

As more fully described in Note 1, debt obligations issued under the purview of the Authority are not legal obligations of the Authority and, therefore, are not included in the accompanying financial statements. Independent trustees administer these debt obligations. Since its inception, 187 multifamily issues for an aggregate principal amount of approximately $2.871 billion and 33 single-family issues for an aggregate principal amount of approximately $1.213 billion have been issued under the purview of the Authority. The total outstanding balance of debt obligations at September 30, 2022 is approximately $1.051 million.

NOTE 14 – RETIREMENT PLANS

Florida Retirement System Overview

The Authority participates in the Florida Retirement System ("the FRS"), a cost-sharing, multiple-employer, public employee retirement plan, which covers all of the Authority's full-time employees. The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Authority are eligible to enroll as members of the State- administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site.

(http://www.dms.myflorida.com/workforce_operations/retirement/publications).

NOTE 14 – RETIREMENT PLANS (CONTINUED)

FRS Pension Plan

Plan Description
The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.
- *Special Risk Administrative Support Class* – Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
- *Elected Officers Class* – Members who hold specified elective offices in local government.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011 are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

Florida Retirement System Overview

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund , increased by a cost-of-living (COLA) each July and earn monthly interest equivalent to an annual rate of 1.30 percent. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided
Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

NOTE 14 – RETIREMENT PLANS (CONTINUED)

Benefits Provided (Continued)

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age / Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or with 31 years of service	1.63
Retirement up to age 64 or with 32 years of service	1.65
Retirement up to age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or with 34 years of service	1.63
Retirement up to age 67 or with 35 years of service	1.65
Retirement up to age 68 or with 36 or more years of service	1.68
Special Risk Class	
Service from December 1,1970 through September 30,1974	2.00
Service on or after October 1,1974	3.00
Elected Officers	
Service as Supreme Court Justice, district court of appeal judge, circuit court judge, or county court judge	3.33
Service as Governor, Lt. Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county official, or elected official of a city or special district that chose EOC membership for its elected officials	3.00
Senior Management Service Class	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

NOTE 14 – RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

Contributions
The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates in effect from July 1, 2021 through June 30, 2022 were as follows:

	Percent of Gross Salary	
Class	**Employee**	**Employer (*)**
FRS, Regular	3.00	9.10
FRS, Elected Officers	3.00	49.70
FRS, Senior Management Service	3.00	27.29
FRS, Special Risk Regular	3.00	24.17
DROP- Applicable to members from all of the above classes	N/A	16.68

*Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs

The Authority's contributions for FRS totaled $116,111 and employee contributions totaled $26,324 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At September 30, 2022 the Authority reported a liability of $1,012,441 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Authority's proportionate share of the net pension liability was based on the Authority's 2021-22 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating member. At June 30, 2022, the Authority's proportionate share was 0.00272%, which was an increase from its proportionate share of 0.00246% measured at June 30, 2021.

For the fiscal year ended September 30, 2022, the Authority recognized pension expense of $154,832 related to the Plan. In addition, the Authority reported, in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 48,085	$ -
Change of assumptions	124,686	-
Net difference between projected and actual earnings on FRS pension plan investments	66,851	-
Changes in proportion and differences between Authority FRS contributions and proportionate share of contributions	115,969	34,305
Authority FRS contributions subsequent to measurement date	30,218	-
Total	$ 385,809	$ 34,305

NOTE 14 – RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The deferred outflows of resources related to pensions, totaling $30,218, resulting from the Authority's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Deferred outflows/(inflows), net
2022	$ 72,016
2023	42,653
2024	1,014
2025	190,158
2026	15,445
Thereafter	-

Actuarial Assumptions
The FRS pension actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2022, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018 tables.

Long-Term Expected Rate of Return
The long-term expected rate of return on the Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation [1]	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
	100%			
Assumed inflation-Mean			2.4%	1.3%

Note: (1) As outlined in the Plan's investment policy

NOTE 14 – RETIREMENT PLANS (CONTINUED)

Florida Retirement System Overview (Continued)

Discount Rate
The discount rate used to measure the net pension liability of the Plan was 6.70 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate
The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the Authority's proportionate share of the net pension liability would be if it calculated using a discount rate that is one percentage point lower (5.70 percent) or one percentage point higher (7.70 percent) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Authority's proportionate share of the net pension liability	$ 1,750,948	$ 1,012,441	$ 394,962

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

Housing Finance Authority Allocation
The Authority's proportionate share of the Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2022, and pension expense for the fiscal year ended September 30, 2022 was allocated as follows:

	FRS PENSION				
	Percent Allocation	NET PENSION LIABILITY	DEFERRED OUTFLOW OF RESOURCES	DEFERRED INFLOW OF RESOURCES	PENSION EXPENSE
Governmental Activities	100.00%	$ (1,012,441)	$ 385,809	$ (34,305)	$ 154,832

The Retiree Health Insurance Subsidy Program (HIS)

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

Benefits Provided
For the fiscal year ended September 30, 2022 eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

NOTE 14 – RETIREMENT PLANS (CONTINUED)

The Retiree Health Insurance Subsidy Program (HIS) (Continued)

Contributions
The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2022, the HIS contribution rate was 1.66 percent. The Authority contributed 100 percent of its statutorily required contributions for the current year and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Authority's contributions to the HIS Plan totaled $15,146 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At September 30, 2022, the Authority reported a net pension liability of $265,124 for its proportionate share of the HIS Plan's net pension liability. The total pension liability was determined by an actuarial valuation date as of June 30, 2022. The Authority's proportionate share of the net pension liability was based on the Authority's 2020-21 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the Authority's proportionate share was 0.00250%, which was an increase from its proportionate share of 0.00227% measured at June 30, 2021.

For the fiscal year ended September 30, 2022, the Authority recognized pension expense of $15,955 related to the HIS Plan. In addition, the Authority reported, in the government-wide financial statements, deferred outflows or resources and deferred inflows of resources related to the HIS Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,047	$ 1,167
Change of assumptions	15,197	41,014
Net difference between projected and actual earnings on HIS pension plan investments	384	-
Changes in proportion and differences between Authority HIS contributions and proportionate share of HIS contributions	44,039	12,067
Authority HIS contributions subsequent to measurement date	3,405	-
Total	$ 71,072	$ 54,248

NOTE 14 – RETIREMENT PLANS (CONTINUED)

The Retiree Health Insurance Subsidy Program (HIS) (Continued)

The deferred outflows of resources related to pensions, totaling $3,405 resulting from the Authority's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Deferred outflows/(inflows), net
2022	$ 805
2023	3,230
2024	6,558
2025	4,219
2026	(432)
Thereafter	(961)

Actuarial Assumptions
The HIS pension as of July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% average, including inflation
Bond buyer general obligation 20 - bond municipal bond index	3.54%

Mortality rates were based on Generational PUB-2010 with Projection Scale P-2018 tables.

The actuarial assumptions that determined total pension liability as of June 30, 2022 were based on the results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

Discount Rate
The discount rate used to measure the total pension liability for the HIS Plan was 3.54 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the Authority's proportionate share of the net pension liability calculated using a discount rate of 3.54 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Authority's proportionate share of the net pension liability	$ 303,323	$ 265,124	$ 233,514

NOTE 14 – RETIREMENT PLANS (CONTINUED)

The Retiree Health Insurance Subsidy Program (HIS) (Continued)

Pension plan fiduciary net position
Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report (see above).

Housing Finance Authority Allocation
The Authority's proportionate share of the HIS Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2022, and pension expense for the fiscal year ended September 30, 2022 was as follows:

	HIS PLAN				
	Percent Allocation	NET PENSION LIABILITY	DEFERRED OUTFLOW OF RESOURCES	DEFERRED INFLOW OF RESOURCES	PENSION EXPENSE
Governmental Activities	100%	$ (265,124)	$ 71,072	$ (54,248)	$ 15,955

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan description- The Authority's defined benefit OPEB plan, provides OPEB for all permanent full time employees, and is a single employer benefit plan administered by the Authority. Chapter 627 of the Florida Statutes requires that the Authority make health coverage available to retirees at the employer's group rate. The Authority provides no funding for any portion of the premiums after retirement. However, the Authority recognizes that there is an "implicit subsidy" arising because of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund and an irrevocable trust has not been established to fund this plan. The plan does not issue a separate financial report. It is the Authority's current policy to fund the plan on a "pay-as-you-go" basis. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided- Employees who retire from the Authority and their dependents are eligible to continue to participate in the Authority's health insurance, life insurance, and long-term care benefits currently offered through the

Authority at the "blended" employee group rate, which the Authority determines on an annual basis. The retiree must continue to meet all participation requirements and pay all applicable premiums by the specified due date. Life insurance and long-term care benefits are portable and the retiree must pay premiums to the carrier directly. The Authority provides no funding for any portion of the premiums after retirement.

Employees covered by the benefit terms-
As of September 30, 2022, there are seven (7) active employees with health insurance coverage.

Total OPEB Liability
The Authority's total OPEB liability of $36,748 was measured as of September 30, 2022 and was determined by an actuarial valuation as of that date.

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Total OPEB Liability (Continued)

Actuarial assumptions and other inputs:
The total OPEB liability in the September 30, 2022, valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	4.02%
Healthcare Trend Rate	4.04%
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 50% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. This assumes that a one-time irrevocable election to participate is made at retirement. Actives who are currently waiving coverage are assumed to continue waiving coverage until retirement.
Mortality Rates	PUB-2010 generational table, scaled using MP-2021 and applied on a gender-specific basis.

Actuarial assumptions and other inputs:

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/2021	$ 38,081
Changes for the fiscal year:	
Service cost	2,127
Interest cost	709
Differences between expected and actual experience	16,482
Changes in assumptions for other inputs	(2,974)
Benefit payments	(17,678)
Balance at 9/30/2022	$ 36,748

Sensitivity of the Total OPEB Liability to changes in the Discount Rate-The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.02%), or one percentage higher (5.02%) than the current discount rate:

	Discount Rate		
	1% Increase 5.02%	Discount Rate 4.02%	1% Decrease 3.02%
Total OPEB Liability	$34,000	$37,000	$41,000

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to changes in the Healthcare Trend Rate-The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower (3.04%), or one percentage higher (5.04%) than the current healthcare trend rate:

	Healthcare Trend		
	1% Increase	Discount Rate	1% Decrease
	5.04%	4.04%	3.04%
Total OPEB Liability	$41,000	$37,000	$34,000

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB-For the fiscal year ended September 30, 2022; the Authority recognized OPEB expense of $16,344. The Authority reported deferred inflows of resources related to OPEB from the following sources:

REQUIRED SUPPLEMENTARY INFORMATION
(Other Than MD&A)

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FLORIDA
(a discretely presented component unit of Miami-Dade County, Florida)
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Fees and charges	$ 1,815,000	$ 1,815,000	$ 3,611,423	$ 1,796,423
Investment income	500,000	500,000	(605,549)	(1,105,549)
Other revenue	30,500	30,500	16,248	(14,252)
Total revenues	2,345,500	2,345,500	3,022,122	676,622
Expenditures:				
Salaries and benefits	1,256,500	1,256,500	1,314,186	(57,686)
Operating expenditures	1,088,500	1,088,500	868,187	220,313
Total expenditures	2,345,000	2,345,000	2,182,373	162,627
Excess of revenues over expenditures	-	-	839,749	839,749
Net change in fund balance	$ -	$ -	$ 839,749	$ 839,749

See notes to budgetary comparison schedule.

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FLORIDA
(a discretely presented component unit of Miami-Dade County, Florida)
NOTE TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

A. Budgetary Information

The following procedures are used to establish the budgetary data reflected in the financial statements:

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

A proposed budget is prepared by Authority staff based on prior year activity. The proposed budget is reviewed by the Executive Director. It is then presented to the Authority board for approval. Once approved, the budget information is entered into the accounting system.

For the fiscal year ended September 30, 2022, salaries and benefits expenses exceeded appropriations by $57,686.

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FLORIDA
(a discretely presented component unit of Miami-Dade County, Florida)
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)
SEPTEMBER 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the FRS net pension liability	0.0027%	0.0025%	0.0023%	0.0024%	0.0022%	0.0025%	0.0026%	0.0027%	0.0035%
Authority's proportionate share of the FRS net pension liability	$ 1,012,441	$ 186,348	$ 987,818	$ 836,842	$ 648,929	$ 752,760	$ 647,571	$ 347,716	$ 211,116
Authority's covered payroll	929,702	806,401	717,021	708,139	692,260	696,825	710,613	686,553	832,090
Authority's proportionate share of the FRS net pension liability as a percentage of its covered payroll	108.90%	23.11%	137.77%	118.17%	93.74%	108.03%	91.13%	50.65%	25.37%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.20%	20.10%	117.46%	96.82%	86.87%	83.89%	84.88%	92.00%	96.09%

SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)
SEPTEMBER 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	$ 139,537	$ 113,062	$ 91,606	$ 88,249	$ 83,270	$ 80,585	$ 81,616	$ 75,790	$ 65,635
FRS contribution in relation to the contractually required contribution	139,537	113,062	91,606	88,249	83,270	80,585	81,616	75,790	65,635
FRS contribution deficiency (excess)	-	-	-	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	929,702	806,401	717,021	708,139	692,260	696,825	710,613	832,090	686,553
FRS contribution as a percentage of covered payroll	15.01%	14.02%	12.78%	12.46%	12.03%	11.56%	11.49%	9.11%	9.56%

Note: This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled; information is presented for those years available.

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FLORIDA
(a discretely presented component unit of Miami-Dade County, Florida)
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)
SEPTEMBER 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the HIS net pension liability	0.0025%	0.0023%	0.0021%	0.0022%	0.0020%	0.0022%	0.0022%	0.0024%	0.0029%
Authority's proportionate share of the HIS net pension liability	$ 265,124	$ 279,408	$ 252,247	$ 241,901	$ 214,856	$ 236,496	$ 256,940	$ 242,708	$ 266,622
Authority's covered employee payroll	929,702	806,401	717,021	708,139	692,260	696,825	710,613	686,553	832,090
Authority's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	28.52%	34.65%	35.18%	34.16%	31.04%	33.94%	36.16%	35.35%	32.04%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY PENSION PLAN (HIS)
SEPTEMBER 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required HIS contribution	$ 15,146	$ 13,389	$ 11,905	$ 21,244	$ 21,163	$ 11,706	$ 11,300	$ 9,097	$ 9,768
HIS contribution in relation to the contractually required contribution	15,146	13,389	11,905	21,244	21,163	11,706	11,300	9,097	9,768
Authority's covered payroll	929,702	806,401	717,021	708,139	692,260	696,825	710,613	686,553	832,090
HIS contribution as a percentage of covered payroll	1.63%	1.66%	1.66%	3.00%	3.06%	1.68%	1.59%	1.33%	1.17%

Note: This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled; information is presented for those years available.

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FLORIDA
(a discretely presented component unit of Miami-Dade County, Florida)
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Schedule of Changes in Total OPEB Liability and Related Ratios
SEPTEMBER 30, 2022

Total OPEB Liability:	**2022**	**2021**	**2020**	**2019**	**2018**
Service cost	$ 2,127	$ 2,640	$ 2,080	$ 2,318	$ 2,225
Interest	584	803	1,446	1,656	1,559
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	22,157	-	(8,432)	(3,812)	-
Changes in assumptions	(2,974)	(120)	6,302	4,176	(1,562)
Benefit payments	(17,678)	(9,009)	(4,818)	-	-
Net Change in total OPEB liability	4,216	(5,686)	(3,422)	4,338	2,222
Total OPEB liability- beginning	32,532	38,218	41,639	37,301	35,078
Total OPEB liability- ending	$ 36,748	$ 32,532	$ 38,217	$ 41,639	$ 37,300
Covered payroll	$ 761,723	$ 803,000	$ 765,208	$ 735,000	$ 700,208
Total OPEB liability as a percentage of covered payroll	5%	4%	5%	6%	5%

Notes to Schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2022	4.02%
2021	2.26%
2020	2.21%
2019	2.66%
2018	3.58%

Note 1: GASB 75 requires information for ten years. However, until a full ten year trend is compiled, information is presented for only those years for which information is available.

COMPLIANCE SECTION

CABALLERO FIERMAN LLERENA + GARCIA LLP
accountants | advisors

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 Members of the Board of Directors of the
Housing Finance Authority of Miami-Dade County, Florida
(a discretely presented component unit of Miami-Dade County, Florida)
Miami, 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 the major fund of the Housing Finance Authority of Miami-Dade County (the Authority) (a discretely presented component unit of Miami-Dade County, Florida), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 1, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) 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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 1, 2023

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MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Members of the Board of Directors of the
Housing Finance Authority of Miami-Dade County, Florida
(a discretely presented component unit of Miami-Dade County, Florida)
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of the Housing Finance Authority of Miami-Dade County (the Authority), (a discretely presented component unit of Miami-Dade County, Florida) as of and for the fiscal year ended September 30, 2022 and have issued our report thereon dated March 1, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' 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 March 1, 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 made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

Financial Condition and Management

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

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Financial Condition and Management (Continued)

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

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.

Specific Information

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

a. The total number of district employees compensated in the last pay period of the district's fiscal year as nine (9).

b. The were no independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year.

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $1,309,809.

d. There was no compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.

e. There was no construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported.

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as $0.

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 have any such findings.

Purpose of this Letter

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 1, 2023

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CABALLERO FIERMAN LLERENA + GARCIA LLP

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INDEPENDENT ACCOUNTANTS' REPORT
PURSUANT TO SECTION 218.415 FLORIDA STATUTES

To the Members of the Board of Directors of the
Housing Finance Authority of Miami-Dade County, Florida
(a discretely presented component unit of Miami-Dade County, Florida)
Miami, Florida

We have examined the Housing Finance Authority of Miami-Dade County's (the Authority) (a discretely presented component unit of Miami-Dade County, Florida) compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2021 to September 30, 2022. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority 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 Authority's compliance with specified requirements. In our opinion, the Authority complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2021 to September 30, 2022.

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

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
March 1, 2023

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