



**Brevard County Housing
Finance Authority**
(A Component Unit of Brevard County, Florida)
Financial Statements
For the Years Ended September 30, 2023 and 2022

Brevard County Housing Finance Authority
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For the years ended September 30, 2023 and 2022



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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of the
Brevard County Housing Finance Authority

We have audited the accompanying financial statements of the Brevard County Housing Finance Authority, a component unit of Brevard County, Florida, as of and for the years ended September 30, 2023 and 2022, and the related notes to the 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 financial position of the Brevard County Housing Finance Authority, as of September 30, 2023 and 2022, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

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 Brevard County Housing Finance 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 Brevard County Housing Finance 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 (pages 7 through 22) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management

about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge 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 February 12, 2024 on our consideration of the Brevard County Housing Finance 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 Brevard County Housing Finance 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 Brevard County Housing Finance Authority's internal control over financial reporting and compliance.

Carr, Rigg & Ingram, L.L.C.

Melbourne, Florida

February 12, 2024

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Brevard County Housing Finance Authority Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Brevard County Housing Finance Authority's ("Authority") basic financial statements presents our discussion and analysis of the Authority's financial performance as of and for the year ended September 30, 2023. Please read it in conjunction with the financial statements, which follow this section.

THE AUTHORITY

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

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

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

FISCAL 2023 FINANCIAL HIGHLIGHTS

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

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

Oftentimes, a cash contribution is needed from the Authority to issue single family bonds. Such contributions may range from tens of thousands to several hundred thousand dollars. At times, the Authority may find it desirable to forgive loans or make grants to accomplish its public purpose. The

Brevard County Housing Finance Authority Management's Discussion and Analysis

FISCAL 2023 FINANCIAL HIGHLIGHTS (Continued)

contributions to bond issuance, loan forgiveness, and grants may substantially impact the Authority's expenses in a single fiscal year and cause significant variation from year to year.

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

The Authority's net position increased by approximately \$292 thousand or 36 percent in fiscal year 2023 and increased by approximately \$214 thousand or 3 percent in fiscal year 2022.

As compared with fiscal year 2022, in fiscal year 2023 the Authority's revenues increased from \$422 thousand to \$462 thousand, an increase of \$40 thousand or 9 percent. The net increase was primarily attributable to an increase in investment interest income of approximately \$149 thousand, a decrease in authority fees of approximately \$5 thousand, a decrease in TBA Program income of approximately \$23 thousand, an increase in application and inducement fees of approximately \$3 thousand, a decrease in closing fee revenue of approximately \$92 thousand, increase in other income of approximately \$10 thousand, and a decrease in interest income of approximately \$2 thousand. Expenses decreased from \$208 thousand to \$170 thousand, a decrease of \$38 thousand or 18 percent. The net decrease was primarily attributable to an increase in the provision for loan losses of approximately \$3 thousand, increase in general operating and administrative of approximately \$7 thousand, a decrease in realized loss on investments of \$4 thousand, and a \$44 thousand decrease in loss due change in fair value of investments.

As compared with fiscal year 2021, in fiscal year 2022 the Authority's revenues increased from \$384 thousand to \$422 thousand, an increase of \$38 thousand or 10 percent. The net increase was primarily attributable to an increase in authority fees of approximately \$125 thousand, an increase in TBA Program income of approximately \$109 thousand, an increase in application and inducement fees of approximately \$2 thousand, a decrease in closing fee revenue of approximately \$9 thousand, increase in other income of approximately \$19 thousand and an increase in interest income of approximately \$10 thousand. Expenses increased from \$149 thousand to \$208 thousand, an increase of \$59 thousand or 40 percent. The net increase was primarily attributable to an increase in the provision for loan losses of approximately \$16 thousand, decrease in general operating and administrative of approximately \$1 thousand, an increase in realized loss on investments of \$3 thousand, and an \$41 thousand increase in loss due change in fair value of investments.

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

Brevard County Housing Finance Authority Management's Discussion and Analysis

FISCAL 2023 FINANCIAL HIGHLIGHTS (Continued)

With existing private activity bond allocation, the Authority agreed to secure mortgage credit certificate authority and to take such steps and enter into such agreements necessary to enable loans made under the 2012 MBS Origination Program in Brevard County to receive such credits in lieu of tax-exempt bond financing ("Mortgage Credit Certificate Program"). The Authority also agreed to provide up to \$250,000 (subsequently increased to \$2,695,169) for a down payment and closing cost assistance program, which will be linked to the above mentioned 2012 MBS Origination Program, to be used by buyers of homes in Brevard County (Notes 5 and 8). The down payment and closing cost assistance was structured to provide non-amortizing second mortgage loans limited to \$10,000 for each borrower. The amount of down payment and closing cost assistance was reduced to \$7,500 effective October 1, 2018, and then increased to \$15,000 on June 22, 2022. During fiscal year 2023, 2022, and 2021 the number of mortgage loans originated in Brevard County totaled six, nine, and seventeen, respectively. As of September 30, 2023, 2022, and 2021 the total outstanding balance of the loans was \$1,667,500, \$1,755,000, and \$1,915,000, respectively. During fiscal year 2023, 2022, and 2021, the number of mortgage loans originated in Brevard County, securitized as TBA Program mortgage backed securities ("MBS"), and sold by the Hillsborough HFA totaled four, fourteen, and eleven, respectively. The Authority and the Hillsborough HFA have agreed to share the profits and losses associated with the sale by the Hillsborough HFA of the mortgage backed securities, which include Brevard County loans. During fiscal year 2023, 2022, and 2021, the income (i.e., MBS sales profits, net of any losses) recognized by the Authority in connection with the TBA Program was \$4,533, \$27,713, and \$136,330, respectively. The income has been classified as "TBA Program income" in the accompanying basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The Authority's Basic Financial Statements have been prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred. The Authority accounts for its financial activities through the use of an enterprise fund. See the notes to the Basic Financial Statements for a summary of the Authority's significant accounting policies.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Position includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for computing various financial ratios, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position.

Brevard County Housing Finance Authority Management's Discussion and Analysis

BASIC FINANCIAL STATEMENTS (Continued)

This statement measures the success of the Authority's operations over the past year and can be used to determine the Authority's profitability and creditworthiness and whether the Authority has successfully recovered all of its expenses through fees and other income.

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

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

NET POSITION

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

TABLE A
Condensed Statements of Net Position
(in thousands of dollars)

	2023	2022	2021
Current assets	\$ 7,030	\$ 6,113	\$ 5,948
Noncurrent assets	2,032	2,206	2,180
Total assets	9,062	8,319	8,128
Current liabilities	701	250	273
Total liabilities	701	250	273
Unrestricted net position	8,361	8,069	7,855
Total net position	\$ 8,361	\$ 8,069	\$ 7,855

During the fiscal year ended September 30, 2023, current assets increased \$934 thousand. The net increase was primarily attributable to a \$276 thousand decrease in cash and cash equivalents, a \$143 thousand increase in deposits held by custodian, a \$1,066 thousand increase in current investments and approximately a \$1 thousand increased in investment interest and other receivables.

**Brevard County Housing Finance Authority
Management's Discussion and Analysis**

NET POSITION (Continued)

During the same time, there was a \$190 thousand decrease in noncurrent assets primarily attributable to a \$36 thousand decrease in long-term investments and a \$154 thousand decrease in long-term loans receivable.

The fiscal year 2023 change in total liabilities was primarily attributable to an increase in developer deposits by \$484 thousand, a decrease in Single Family Revenue Bonds of \$33 thousand and an increase by approximately \$1 thousand in accrued expenses and other liabilities.

During the fiscal year ended September 30, 2022, current assets increased \$165 thousand. The net increase was primarily attributable to a \$212 thousand increase in cash and cash equivalents, a \$37 thousand increase in authority fees receivable, and a \$48 thousand increase in current investments and investment interest offset by a \$10 thousand decrease in current loan receivables and a \$122 thousand decrease in deposits held by custodian. During the same time, there was a \$26 thousand increase in noncurrent assets primarily attributable to a \$244 thousand increase in long-term investments and a \$241 thousand decrease in long-term loans receivable.

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

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

**TABLE B
Condensed Statements of Revenues,
Expenses, and Changes in Net Position
(in thousands of dollars)**

	2023	2022	2021
Operating revenues	\$ 253	\$ 372	\$ 368
Non-operating revenue	209	50	16
Total revenues	462	422	384
Operating expenses	168	158	143
Non-operating expenses	2	50	6
Total expenses	170	208	149
Change in net position	292	214	235
Net position at beginning of year	8,069	7,855	7,620
Net position at end of year	\$ 8,361	\$ 8,069	\$ 7,855

The Statement of Revenues, Expenses, and Changes in Net Position provides information as to the nature and source of the changes in net position. During fiscal year 2023, net position increased by \$292 thousand, as compared with an increase of \$214 thousand in fiscal year 2022. The fiscal year 2023 increase in net position was due (1) to positive operational revenue totaling approximately \$253 thousand and (2) and investment interest income of \$176 thousand and recovery of debt by insurance payments of \$33 thousand offset by operating and non-operating expenses of \$170 thousand.

Brevard County Housing Finance Authority Management's Discussion and Analysis

REVENUES, EXPENSES, AND CHANGES IN NET POSITION (Continued)

During fiscal year 2023, the net \$119 thousand decrease in operating revenues from 2022 to 2023 was primarily attributable to a \$23 thousand decrease in TBA Program income, a \$3 thousand increase in application and inducement fees, a \$5 thousand decrease in Authority fees, a \$92 thousand decrease in closing costs and a \$2 thousand decrease in interest income.

During fiscal year 2023, the \$159 thousand increase in net nonoperating revenue (expenses) from 2022 to 2023 was primarily due to a \$149 thousand increase in the investment interest income and a \$10 thousand increase in recovery of debt by insurance payments.

During fiscal year 2023, the \$10 thousand increase in operating expenses from 2022 to 2023 was largely attributable to a \$7 thousand increase in general operating and administrative and legal, accounting, and financial advisory expense, and a \$3 thousand increase in the provision for loan losses.

During fiscal year 2022, net position increased by \$214 thousand, as compared with an increase of \$235 thousand in fiscal year 2021. The fiscal year 2022 increase in net position was due (1) to positive operational revenue totaling approximately \$372 thousand and (2) and investment interest income of \$27 thousand and recovery of debt by insurance payments of \$23 thousand offset by operating and non-operating expenses of \$208 thousand.

During fiscal year 2022, the net \$4 thousand increase in operating revenues from 2021 to 2022 was primarily attributable to a \$109 thousand decrease in TBA Program income, a \$2 thousand increase in application and inducement fees, a \$125 thousand increase in Authority fees, a \$9 thousand decrease in closing costs and a \$5 thousand decrease in interest income.

During fiscal year 2022, the \$9 thousand decrease in net nonoperating revenue (expenses) from 2021 to 2022 was primarily due to a \$16 thousand increase in the investment interest income, a \$43 thousand increase in realized and unrealized investment income, and a \$18 thousand increase in recovery of debt by insurance payments.

During fiscal year 2022, the \$15 thousand increase in operating expenses from 2021 to 2022 was largely attributable to a \$1 thousand decrease in general operating and administrative and legal, accounting, and financial advisory expense, and a \$16 thousand increase in the provision for loan losses.

**Brevard County Housing Finance Authority
Management's Discussion and Analysis**

CASH FLOWS

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

**TABLE C
Condensed Statements of Cash Flows
(in thousands of dollars)**

	2023	2022	2021
Net cash provided by operating activities	\$ 724	\$ 403	\$ 197
Net cash provided by (used for) investment activities	(857)	(313)	313
Net increase (decrease) in cash and cash equivalents	(132)	90	510
Cash and cash equivalents at beginning of year	5,045	4,955	4,445
Cash and cash equivalents at end of year	\$ 4,913	\$ 5,045	\$ 4,955

Cash and cash equivalents decreased \$132 thousand and increased \$90 thousand, respectively, during fiscal year 2023 and 2022. The increase in cash and cash equivalents during fiscal year 2023 was the result of \$724 thousand being provided by operating activities and \$857 thousand being used by investment activities. In comparison to fiscal year 2022, \$403 thousand was provided by operating activities and \$313 was used by investing activities.

Cash and cash equivalents increased \$90 thousand and increased \$510 thousand, respectively, during fiscal year 2022 and 2021. The increase in cash and cash equivalents was the result of \$403 thousand being provided by operating activities and \$313 thousand being used by investment activities. In comparison to fiscal year 2021, \$197 thousand was provided by operating activities and \$313 was provided by investing activities.

BOND PROGRAMS

From time to time, the Authority has issued bonds and notes to finance single family residential housing and qualified multi-family housing developments. The financial assistance was provided to stimulate the acquisition and construction of residential housing for low, moderate, and middle income individuals and families. The Authority's bonds and notes are secured as described in each of the respective trust indentures. In no case is the Authority, Brevard County, the State of Florida,

**Brevard County Housing Finance Authority
Management's Discussion and Analysis**

BOND PROGRAMS (Continued)

or any political subdivision thereof obligated in any manner for repayment of the bonds and notes. Accordingly, the bonds and notes are not reported as liabilities in the Basic Financial Statements.

Significant portions of the Authority's operating revenues are derived from fees and incomes generated by the single family and multi-family bond programs issued by the Authority. Historically, these fees and incomes have usually exceeded the financial contributions made by the Authority to the bond programs.

As of September 30, 2023, the Authority had issued and outstanding the following bonds and notes pursuant to its authorization:

	Issue Amount	Outstanding Amount
Non-Conduit Debt		
Single Family/Homeowner Mortgage Revenue and Refunding Bonds:		
Series 1985 (capital appreciation)	\$ 29,999,372	\$ 193,500
Total Non-Conduit Debt	29,999,372	193,500
Conduit Debt		
Multi-Family Housing Revenue and Refunding Bonds:		
Series 2004 A and B (Wickham Club)	\$ 8,000,000	\$ 4,695,000
Series 2007 (Timber Trace)	14,100,000	8,880,000
Series 2007 A and B (Oak Meadows)	10,490,000	1,203,491
Multi-Family Housing Revenue Note:		
Series 2016 (Trinity Towers)	\$ 9,450,000	\$ 4,960,303
Series 2017 (Crane Creek)	13,202,000	7,752,426
Series 2020 (Venue at Viera Senior Living)	16,755,000	16,755,000
Series 2020B (Southlake Towers)	12,760,000	2,360,000
Series 2021 (Millennia Project)	32,340,000	32,340,000
Series 2022 (Venue at Viera Senior Living)	1,990,000	1,990,000
Total Conduit Debt	119,087,000	80,936,220
Total	\$ 149,086,372	\$ 81,129,720

In some cases, the outstanding balances may include capital appreciation and compound interest bonds at their accreted values calculated as of the most recent bond interest payment date.

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

Brevard County Housing Finance Authority Management's Discussion and Analysis

BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985

The Single Family Mortgage Revenue Bonds, Series 1985 matured on April 1, 2017 at the appreciated value of \$450,000.

On the Electronic Municipal Market Access (“EMMA”) website, the trustee published notices, which state, in part, the following. The entire notice may be accessed on the EMMA website by utilizing the “Quick Search” feature and entering the bond CUSIP.

“Notice to Holders of Non-payment of Principal”

April 7, 2017

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

CUSIP: 107417GK7 (the “Bonds”)

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

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

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

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

Brevard County Housing Finance Authority Management's Discussion and Analysis

BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

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

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

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

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

"Notice to Holders of Non-payment of Principal"

March 5, 2018

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

CUSIP: 107417GK7 (the "Bonds")

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

Brevard County Housing Finance Authority Management's Discussion and Analysis

BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company ("FGIC"), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC's First Amended Plan of Rehabilitation dated June 4, 2013 (the "Plan", and such policy as modified by the Plan being the "FGIC Policy"), a claim for the \$450,000 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, paid 25% (FGIC's then-current cash payment percentage under the Plan, referred to as the "CPP") of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the "Fiscal Agent"), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payment to The Depository Trust Company ("DTC"), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC an assignment to FGIC of all of such its rights to payment of the unpaid principal in an amount equal to such claim payment.

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

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

The trustee has informed the Authority that on September 30, 2018 the outstanding balance of the Single Family Mortgage Revenue Bonds, Series 1985 was \$301,500 following the \$36,000 (8%) bond principal payment by Financial Guaranty Insurance Company, which was made in March 2018. This amount has been recorded as a liability of the Authority as required by generally accepted accounting principles even though legally the bonds are not a debt of the Authority. The related receivable not anticipated to be collected of \$276,750, has been fully allowed for and therefore does not appear on the Authority's statement of net position.

Brevard County Housing Finance Authority Management's Discussion and Analysis

BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

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

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

May 4, 2020

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

CUSIP: 107417GK7 (the "Bonds")

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

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company ("FGIC"), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC's First Amended Plan of Rehabilitation dated June 4, 2013 (the "Plan", and such policy as modified by the Plan being the "FGIC Policy"), a claim for the \$450,000.00 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 38.5% (FGIC's adjusted cash payment percentage (referred to as the "CPP") under the Plan as of the September 4, 2018 effective date of the upward adjustment of the CPP in connection with FGIC's 2018 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the "Fiscal Agent"), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payments to The Depository Trust Company ("DTC"), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC, in the case of each such claim payment, an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to such claim payment.

FGIC announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the "2019 CPP Upward Adjustment") from 38.5% to 43.5% in connection with FGIC's 2019 annual revaluation of the CPP under the Plan, effective October 14, 2019. The registered Holders of the Bonds are entitled to receive, in connection with the 2019 CPP Upward Adjustment, an additional cash claim payment of \$22,500.00 by FGIC in respect of the permitted

Brevard County Housing Finance Authority Management's Discussion and Analysis

BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

policy claim referred to above (the “DPO Payment”) and \$1,587.73 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the “DPO Accretion Payment”), in each case as calculated in accordance with the Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Accretion Payment to the Trustee to distribute to the Bondholders. In accordance with the terms of the FGIC Policy, the Fiscal Agent will disburse the DPO Payment to DTC only after the Fiscal Agent receives from DTC an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to the DPO Payment.

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

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

February 3, 2021

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

CUSIP: 107417GK7 (the “Bonds”)

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

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company (“FGIC”), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC’s First Amended Plan of Rehabilitation dated June 4, 2013 (the “Plan”, and such policy as modified by the Plan being the “FGIC Policy”), a claim for the \$450,000.00 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 43.5% (FGIC’s adjusted cash payment percentage (referred to as the “CPP”) under the Plan as of the October 14, 2019 effective date of the upward adjustment of the CPP in connection with FGIC’s 2019 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the “Fiscal Agent”), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payments to The Depository Trust Company (“DTC”), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC, in the case of each

**Brevard County Housing Finance Authority
Management's Discussion and Analysis**

BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

such claim payment, an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to such claim payment.

FGIC announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the "2019 CPP Upward Adjustment") from 43.5% to 44.5% in connection with FGIC's 2020 annual revaluation of the CPP under the Plan, effective October 4, 2020. The registered Holders of the Bonds are entitled to receive, in connection with the 2020 CPP Upward Adjustment, an additional cash claim payment of \$4,500.00 by FGIC in respect of the permitted policy claim referred to above (the "DPO Payment") and \$668.04 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the "DPO Accretion Payment"), in each case as calculated in accordance with the Brevard County Housing Finance Authority Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Accretion Payment to the Trustee to distribute to the Bondholders. In accordance with the terms of the FGIC Policy, the Fiscal Agent will disburse the DPO Payment to DTC only after the Fiscal Agent receives from DTC an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to the DPO Payment.

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

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

February 7, 2022

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

CUSIP: 107417GK7 (the "Bonds")

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

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017.

Brevard County Housing Finance Authority Management's Discussion and Analysis

BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

The Trustee submitted to Financial Guaranty Insurance Company (“FGIC”), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC’s First Amended Plan of Rehabilitation dated June 4, 2013 (the “Plan”, and such policy as modified by the Plan being the “FGIC Policy”), a claim for the \$450,000.00 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 44.5% (FGIC’s adjusted cash payment percentage (referred to as the “CPP”) under the Plan as of the October 4, 2020 effective date of the upward adjustment of the CPP in connection with FGIC’s 2020 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the “Fiscal Agent”), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payments to The Depository Trust Company (“DTC”), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC, in the case of each such claim payment, an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to such claim payment.

FGIC announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the “2021 CPP Upward Adjustment”) from 44.5% to 49.65% in connection with FGIC’s 2021 annual revaluation of the CPP under the Plan, effective October 27, 2021. The registered Holders of the Bonds are entitled to receive, in connection with the 2021 CPP Upward Adjustment, an additional cash claim payment of \$23,175.00 by FGIC in respect of the permitted policy claim referred to above (the “DPO Payment”) and \$2,724.41 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the “DPO Accretion Payment”), in each case as calculated in accordance with the Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Payment to DTC and the DPO Accretion Payment to the Trustee to distribute to the Bondholders.

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

February 9, 2023

Notice to Holders of Additional Payment in respect of Principal

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

Brevard County Housing Finance Authority Management's Discussion and Analysis

BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

CUSIP: 107417GK7 (the "Bonds")

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

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company ("FGIC"), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC's First Amended Plan of Rehabilitation dated June 4, 2013 (the "Plan", and such policy as modified by the Plan being the "FGIC Policy"), a claim for the \$450,000.00 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 49.65% (FGIC's adjusted cash payment percentage (referred to as the "CPP") under the Plan as of the October 27, 2021 effective date of the upward adjustment of the CPP in connection with FGIC's 2021 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the "Fiscal Agent"), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payments to The Depository Trust Company ("DTC"), as the registered Holder of the Bonds.

FGIC announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the "2022 CPP Upward Adjustment") from 49.65% to 57.00% in connection with FGIC's 2022 annual revaluation of the CPP under the Plan, effective December 8, 2022. The registered Holders of the Bonds are entitled to receive, in connection with the 2022 CPP Upward Adjustment, an additional cash claim payment of \$33,075.00 by FGIC in respect of the permitted policy claim referred to above (the "DPO Payment") and \$4,852.49 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the "DPO Accretion Payment"), in each case as calculated in accordance with the Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Payment to DTC and the DPO Accretion Payment to the Trustee to distribute to the Bondholders.

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

Brevard County Housing Finance Authority Management's Discussion and Analysis

KNOWN FACTS, DECISIONS AND CONDITIONS

Even though the COVID pandemic is an ongoing concern, the Authority currently does not believe there are any known facts, decisions, or conditions expected to have a significant effect on next year and beyond.

CONTACTING THE AUTHORITY'S SECRETARY/TREASURER

This financial report is designed to provide our citizens and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Brevard County Housing Finance Authority's Secretary/Treasurer, 4420 South Washington Avenue, Titusville, Florida 32780.

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BASIC FINANCIAL STATEMENTS

Brevard County Housing Finance Authority
Statements of Net Position

<i>September 30,</i>	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,126,075	\$ 2,401,765
Investments	2,000,476	950,597
Authority fees receivable	40,425	40,425
Deposits held by custodian	2,786,437	2,643,098
Investment interest and other receivables	406	440
Loans receivable, net	76,270	76,270
Total current assets	7,030,089	6,112,595
Noncurrent assets:		
Investments	351,840	371,278
Loans receivable, net	1,680,539	1,834,361
Total noncurrent assets	2,032,379	2,205,639
Total assets	9,062,468	8,318,234
Liabilities		
Accrued expenses and other liabilities	24,417	22,946
Single Family Mortgage Revenue Bond, Series 1985	193,500	226,575
Developer deposits	483,500	-
Total liabilities	701,417	249,521
Net position		
Unrestricted	8,361,051	8,068,713
Total net position	\$ 8,361,051	\$ 8,068,713

Brevard County Housing Finance Authority
Statements of Revenues, Expenses and Changes in Net Position

<i>For the years ended September 30,</i>	2023	2022
Operating revenues		
Authority fees	\$ 243,711	\$ 248,552
TBA Program income	4,533	27,713
Application and inducement fees	5,355	2,175
Reimbursement for closing costs	-	92,082
Interest income	180	1,832
Total operating revenues	253,779	372,354
Expenses		
General operating and administrative	19,707	12,963
Legal, accounting, and financial	103,677	103,825
Provision for loan loss	24,652	21,622
Special projects	20,000	20,000
Total operating expenses	168,036	158,410
Operating income	85,743	213,944
Nonoperating revenue (expense)		
Investment interest income	176,324	26,943
Realized loss on investments	(62)	(3,574)
Decrease in fair value of investments	(2,742)	(46,371)
Other income	33,075	23,175
Total non-operating revenue	206,595	173
Change in net position	292,338	214,117
Net position, beginning of year	8,068,713	7,854,596
Net position, end of year	\$ 8,361,051	\$ 8,068,713

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

Brevard County Housing Finance Authority
Statements of Cash Flows

<i>For the years ended September 30,</i>	2023	2022
Cash flows from operating activities:		
Collections of authority fees	\$ 203,286	\$ 211,441
Collection of TBA program income, net of expenses	4,533	27,713
Receipt of application and inducement fees	5,355	2,175
Receipt of closing wires	-	92,082
Advances of loan principal	(90,000)	(105,000)
Collection of loan principal	274,745	359,735
Payment of operating expenses	(137,063)	(165,173)
Payment of special projects expense	(20,000)	(20,000)
Receipt of developer deposits	483,500	-
Net cash provided by operating activities	724,356	402,973
Cash flows from investing activities:		
Proceeds from sales of investments	66,755	28,054
Receipt of investment interest/dividends	176,538	28,892
Purchase of investments	(1,100,000)	(370,049)
Net cash used in investing activities	(856,707)	(313,103)
Net increase (decrease) in cash and cash equivalents	(132,351)	89,870
Cash and cash equivalents, beginning of the year	5,044,863	4,954,993
Cash and cash equivalents, end of the year	\$ 4,912,512	\$ 5,044,863
Cash and cash equivalents	\$ 2,126,075	\$ 2,401,765
Deposits held by custodian	2,786,437	2,643,098
Cash and cash equivalents, end of the year	\$ 4,912,512	\$ 5,044,863
Noncash transactions:		
Reduction for loan losses in Single Family Revenue Bond		
Series 1985 liability and allowance	\$ 33,075	\$ 23,175
Change in fair value of investments	\$ (2,804)	\$ (49,945)

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

Brevard County Housing Finance Authority
Statements of Cash Flows (Continued)

<i>For the years ended September 30,</i>	2023	2022
RECONCILIATION OF INCREASE IN OPERATING INCOME		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase in operating income	\$ 85,743	\$ 213,944
Adjustments to reconcile increase in net position to net cash provided by operating activities:		
Provision for loan losses	2,152	(3,428)
Increase in authority fee receivable	-	(37,111)
Decrease in loan receivables	151,670	231,610
Decrease in accrued expenses and other liabilities	1,471	(210)
Increase (decrease) in developer deposits	483,500	-
Operating income components classified as investing activities:		
Investment interest income	(180)	(1,832)
Net cash provided by operating activities	\$ 724,356	\$ 402,973

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

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

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

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

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

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

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

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

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Authority accounts for its operating fund activities through the use of an enterprise fund. An enterprise fund is used to account for activities similar to those found in the private sector, where the determination of a change in financial position is necessary or useful for sound financial administration.

Basis of Accounting

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

Cash and Cash Equivalents

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

Investments

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

Loans Receivable

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

Allowance for Loan Losses

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

Revenues and Expenses

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

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Developer Deposits

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

Net Position

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

The restricted net position classification is used by government entities to indicate a segregation of a portion of net position equal to the value of assets the uses of which are restricted through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Authority has no restricted assets at September 30, 2023 nor 2022. Unrestricted net position relates to that portion of net position not restricted for the purposes described above.

Designations are used to indicate a segregation of a portion of unrestricted net position at the discretion of the Authority, which are to be used for a specific purpose and not for general operations. These amounts are included in unrestricted net position for financial reporting purposes. There were funds designated in 2023 and 2022 of \$157,778 and \$140,068, respectively, which are for the Housing Finance Authority of Hillsborough County, Florida, see Note 5(e).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 12, 2024, and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. There were no significant impacts of implementing this Statement.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI).

The Authority is evaluating the requirements of the above statement and the impact on reporting.

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 2: CASH AND CASH EQUIVALENTS

At September 30, 2023 and 2022, cash and cash equivalents consisted of the following:

	2023	2022
Bank demand deposit account	\$ 2,118,466	\$ 2,392,596
Fidelity account	5,069	4,959
Bank custodial account (Single Family 2001 MBS)	1,250	3,160
Bank custodial account (Single Family 2002 MBS)	1,290	1,050
Total cash and cash equivalents	\$ 2,126,075	\$ 2,401,765

The Authority manages custodial credit risk by depositing moneys in demand deposit accounts and trust custodial accounts (except the TBA Program custodial accounts) with qualified public depositories or in money market funds (with high credit quality ratings) held within trust custodial accounts, all of which its board members have approved for use. Authorized investments, as provided by the Authority's investment policy, are summarized in Note 4.

Along with federal depository insurance, the bank demand deposit account is secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred.

In March 2010, the Authority entered into a custody agreement with Wells Fargo Bank, N.A. Pursuant to the agreement, Wells Fargo provides custodian services for certain Government National Mortgage Association ("GNMA") and Federal National Mortgage Association ("FNMA") mortgage-backed securities owned by the Authority (Note 5) and received as a portion of the residuals at the time the Authority's Single Family Mortgage Revenue Bonds, Series 2001 A-1 and A-2 were fully redeemed. At any time, the Authority may direct Wells Fargo to disburse moneys and/or deliver securities on deposit in the custodial account (Single Family 2001 MBS) to the Authority. Upon thirty days written notice, either party may terminate the agreement, whereupon all moneys and securities on deposit in the custodial account (Single Family 2001 MBS) would be paid to either the Authority or to any other person in accordance with the Authority's written instruction.

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

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 2: CASH AND CASH EQUIVALENTS (Continued)

At September 30, 2023 and 2022, the moneys on deposit in the Single Family 2002 MBS and Single Family 2001 MBS custodial accounts were invested in money market funds. The money market fund's strategy is to invest in U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury obligations. However, the fund may invest in other securities. The money market fund shares are neither insured nor guaranteed by the U.S. Government or any other party. Collateralizing securities, if any, are not held in the name of the Authority. The money market funds pays a variable market rate of interest. Authority management believes the carrying value (i.e., cost) approximates fair value. At September 30, 2022, the money market fund was rated Aaa-mf by Moody's Investor Services and AAAM by Standard & Poor's. The weighted average maturity was 14 days. At September 30, 2023, both money market funds were both rated Aaa-mf by Moody's Investor Services and AAAM by Standard & Poor's. The weighted average maturity for one money market fund was 24 days and 13 days for the other. As of September 30, 2023 and 2022, there was \$1,290 and \$1,050, respectively for the Single Family 2002 MBS custodial account. As of September 30, 2023 and 2022, there was \$1,250 and \$3,160, respectively for the Single Family 2001 MBS custodial account.

Note 3: DEPOSITS HELD BY CUSTODIAN

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

For the above described purpose, the Authority has designated a portion of its unrestricted net position approximately equal in amount to the balance of the moneys on deposit in the custodial account of \$157,778 and \$140,068 at September 30, 2023 and 2022, respectively.

At September 30, 2023 and 2022, the moneys on deposit in the TBA Program MBS acquisition custodial account and TBA Program down payment assistance custodial account were invested in the Morgan Stanley Institutional Liquidity Fund Government Portfolio ("ILF Government Portfolio"). The ILF Government Portfolio's strategy is to invest in obligations issued or guaranteed by the U.S. Government and its agencies and instrumentalities and in repurchase agreements collateralized by such securities. Shares of the ILF Government Portfolio are not bank deposits and are not insured nor guaranteed by the FDIC or any other government agency.

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 3: DEPOSITS HELD BY CUSTODIAN (Continued)

Collateralizing securities, if any, are not held in the name of the Authority. The ILF Government Portfolio pays a variable market rate of interest. Authority management believes the carrying value (i.e., cost) approximates fair value. At September 30, 2022, the ILF Government Portfolio was rated Aaa-mf by Moody's Investor Services and AAAM by Standard & Poor's. The weighted average maturity was 12 days. At September 30, 2023, the ILF Government Portfolio was rated Aaa-mf by Moody's Investor Services and AAAM by Standard & Poor's. The weighted average maturity was 27 days.

Note 4: INVESTMENTS

At September 30, 2023 and 2022, investments consisted of the following:

	2023	2022
Florida PRIME	\$ 80,083	\$ 76,330
Certificates of deposit	2,062,134	1,012,768
Mortgage-backed securities	210,099	232,777
Subtotal	2,352,316	1,321,875
Less: Current portion	(2,000,476)	(950,597)
Long-term portion	\$ 351,840	\$ 371,278

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

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 4: INVESTMENTS (Continued)

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

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

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

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

Credit Risk - Credit rate risk is the risk of losses due to the failure of the security issue or backer. GASBC Section 150: *Investments* of the GASB Codification requires that governments provide information about credit risk associated with their investments by disclosing the credit rating of investments in debt securities as described by nationally recognized statistical rating organizations. This is mitigated by investing in the assets allowed under State Ordinance and by diversifying the portfolio so that potential losses on individual securities will be minimized.

Custodial Credit Risk - For an investment, this 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. As of September 30, 2023, the Authority's investments are held in street name in the form of mortgage-backed securities through a financial brokerage firm segregated out from the assets and investments held by other clients of the investment firm and their own assets.

Concentrations of Credit Risk – GASB Codification Section 150: *Investments* of the GASB Codification requires disclosures of investments in any one issuer that represents five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S government, investments in mutual funds, external investments pools and other pooled investments. The Authority's investment policy allows investment concentrations in different types of investments to the extent practical to control the risk of loss resulting from over concentration of assets in specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold.

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

Brevard County Housing Finance Authority
Notes to the Financial Statements

Note 4: INVESTMENTS (Continued)

Fund/Investment	Credit Quality Rating	Weighted Average Maturity	2023 Fair Value	2022 Fair Value
Florida PRIME	AAAm	35 days	\$ 80,083	\$ 76,330
Mortgage-backed securities	AAA	21 years	210,099	232,777
Total investments			\$ 290,182	\$ 309,107

During the year ended September 30, 2023 and 2022, the Florida Prime’s average yield was approximately 4.92% and 0.15%, respectively. For September 30, 2023, the mortgage-backed securities bore interest at either the rate of 5.45% or 5.60% and for September 30, 2022, the mortgage-backed securities bore interest at either the rate of 5.45%, 5.60%, 6.40% or 7.00%.

Fair Value

GASB Codification Section 3100: *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the codification are described as follows:

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

Level 2: Inputs to the valuation methodology include

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

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

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

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

Brevard County Housing Finance Authority
Notes to the Financial Statements

Note 4: INVESTMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Authority's assets at fair value as of September 30, 2023:

	Fair Value/Amortized Cost	Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs other than Quoted Prices (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured by fair value				
Mortgage-backed Securities	\$ 210,099	\$ -	\$ 210,099	\$ -
Investments measured at amortized cost				
Florida PRIME	80,083	-	-	-
Certificates of deposit	2,062,134	-	-	-
Total investments	\$ 2,352,316	\$ -	\$ 210,099	\$ -

The following table sets forth by level, within the fair value hierarchy, the Authority's assets at fair value as of September 30, 2022:

	Fair Value/Amortized Cost	Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs other than Quoted Prices (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured by fair value				
Mortgage-backed Securities	\$ 232,777	\$ -	\$ 232,777	\$ -
Investments measured at amortized cost				
Florida PRIME	76,330	-	-	-
Certificates of deposit	1,012,768	-	-	-
Total investments	\$ 1,321,875	\$ -	\$ 232,777	\$ -

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2023.

Money market funds – Money market funds are valued at amortized cost, which approximates fair value.

Certificates of deposit – Certificates of deposit are valued at amortized cost, which approximates fair value.

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 4: INVESTMENTS (Continued)

Mortgage-backed securities – Mortgage-backed securities classified in Level 1 of the fair value hierarchy are valued using quoted market prices for those securities. Mortgage-backed securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique based on the price or yield of similar debt securities.

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

Note 5: LOANS RECEIVABLE

At September 30, 2023 and 2022, the Authority owned loans receivable from the following parties:

	2023	2022
(a) Coalition for the Hungry and Homeless (2015)	\$ 36,393	\$ 62,083
(b) Crosswinds Youth Services, Inc.	44,781	44,781
(c) Homeowners (Series 1991 C Second Mortgage Program loans)	17,100	17,100
(d) Homeowners (Series 2009 B Second Mortgage loans)	145,000	150,000
(e) Homeowners (TBA Program Second Mortgage loans)	1,667,500	1,755,000
(f) Community of Hope	332,010	365,490
(g) Single Family Mortgage Revenue Bond, Series 1985 Receivable	193,500	226,575
Subtotal	2,436,284	2,621,029
Less: Current portion	(76,270)	(76,270)
Less: Allowance for loan losses	(679,475)	(710,398)
Long-term portion, net	\$ 1,680,539	\$ 1,834,361

- (a) On February 4, 2015, the Authority entered into a loan agreement (“2015 Loan Agreement”) with the Coalition for the Hungry and Homeless of Brevard County, Inc. d/b/a Housing for Homeless. The Authority provided a loan totaling \$256,897 to assist the Coalition in its operation to provide affordable transitional and permanent housing to low income persons and families by providing funds used to repay five existing mortgage loans on certain properties owned by the Coalition (\$209,197) and to consolidate the outstanding balance of the 2013 Loan Agreement with the Authority (\$47,700).

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 5: LOANS RECEIVABLE (Continued)

The loan is evidenced by a promissory note and is non-interest bearing. Payments of \$2,141 are due on the first of each month, until March 1, 2025, at which time the remaining principal balance is due and payable. The loan may be prepaid in whole or in part at any time without penalty. The loan is non-collateralized, unless subsequently required by the Authority.

- (b) On August 5, 2015, the Authority approved funding up to \$45,000 for a new air conditioning system for a building located in Cocoa, Florida and owned by Crosswinds Youth Services, Inc. ("Crosswinds"). On March 30, 2016, the loan funding totaling \$44,781 was disbursed, after the Authority received (1) paid invoices from Crosswinds, which evidenced the installation of the equipment, and (2) a subordinate mortgage and mortgage note. Crosswinds' mission includes providing emergency shelter for run away and homeless children. Crosswinds provides shelter, as well as services, for youth under the age of eighteen that have been abused, neglected, and/or endangered.

The loan is evidenced by a mortgage and mortgage note. No principal nor interest payments are required. The mortgage note would become due if all or any part of the mortgaged property or any interest in it is sold, transferred, gifted, or otherwise conveyed, whether by voluntary act, involuntarily, by operation of law or otherwise, or if the mortgagor is divested of title by judicial sale, levy, or other procedure, or if foreclosure action is instituted against the mortgaged property, or if the mortgage is satisfied or refinanced, or if the mortgaged property is not utilized for housing in the form of emergency shelter and services to abused, neglected and endangered youth with low income. Upon fulfillment of the terms of the mortgage and mortgage note, at the end of ten years (i.e., March 30, 2026) from the date of the note, the mortgage and mortgage note will be extinguished in full. The loan is collateralized by certain real property.

- (c) In 1991, the Authority established its Series 1991 C Second Mortgage Program ("Program"). Under the Program, it made funds available to originate second mortgage loans, not to exceed \$3,500, for buyers satisfying certain family income criteria. The loans were intended to assist qualifying applicants with the closing costs associated with loans originated pursuant to the Authority's Single Family Mortgage Revenue Refunding Bond Program, Series 1991 C.

The loans are non-interest bearing, thirty-year term loans payable in full upon sale, transfer, or refinancing of the single family residence or upon payment of the remaining balance of the first mortgage loan. The loans are secured by a second mortgage lien on the related properties.

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 5: LOANS RECEIVABLE (Continued)

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

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

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

The loans are intended to assist qualifying applicants with down payment and closing cost assistance associated with loans originated to purchase homes in Brevard County. Since the Authority may discontinue the down payment and closing cost assistance program at any time, a portion of net position equal to the unused funds, which totaled \$157,778 and \$140,068 on September 30, 2023 and 2022, respectively, is classified as designated.

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 5: LOANS RECEIVABLE (Continued)

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

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

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

- (g) The Authority issued Single Family Mortgage Revenue Bonds in 1985. All of the related receivables were collected except for \$301,500, were deemed to be in default. Insurance paid \$24,750 in October 2018, \$22,500 in May 2020, \$4,500 in February 2021, \$23,175 in February 2022 and \$33,075 in February 2023 and the Authority fully reserved the remaining balance in default of \$193,500 at September 30, 2023.

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

Brevard County Housing Finance Authority
Notes to the Financial Statements

Note 6: BOND PROGRAMS

From time to time, the Authority has issued revenue bonds and notes to provide financial assistance to individuals, families, and private-sector entities. The financial assistance was provided to encourage the investment of private capital and stimulate the acquisition and construction of residential housing for low, moderate, and middle income individuals and families. The bonds and notes are secured by the assets, revenues, receipts, and other resources of the bond programs and are payable solely from payments received pursuant to the respective bond program documents. Neither the Authority, Brevard County, the State of Florida, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds considered conduit debt are not reported as liabilities in the Basic Financial Statements.

As of September 30, 2023 and 2022, the Authority had issued revenue bonds of \$149,086,372 and \$181,601,372, respectively. As of September 30, 2023 and 2022, the Authority had outstanding revenue bonds and notes totaling approximately \$81,129,720 and \$103,671,197, respectively.

As of September 30, 2023, the Authority had issued and outstanding the following bonds and notes pursuant to its authorization:

	Issue Amount	Outstanding Amount
Non-Conduit Debt		
Single Family/Homeowner Mortgage Revenue and Refunding Bonds:		
Series 1985 (capital appreciation)	\$ 29,999,372	\$ 193,500
Total Non-Conduit Debt	29,999,372	193,500
Conduit Debt		
Multi-Family Housing Revenue and Refunding Bonds:		
Series 2004 A and B (Wickham Club)	\$ 8,000,000	\$ 4,695,000
Series 2007 (Timber Trace)	14,100,000	8,880,000
Series 2007 A and B (Oak Meadows)	10,490,000	1,203,491
Multi-Family Housing Revenue Note:		
Series 2016 (Trinity Towers)	\$ 9,450,000	\$ 4,960,303
Series 2017 (Crane Creek)	13,202,000	7,752,426
Series 2020 (Venue at Viera Senior Living)	16,755,000	16,755,000
Series 2020B (Southlake Towers)	12,760,000	2,360,000
Series 2021 (Millennia Project)	32,340,000	32,340,000
Series 2022 (Venue at Viera Senior Living)	1,990,000	1,990,000
Total Conduit Debt	119,087,000	80,936,220
Total	\$ 149,086,372	\$ 81,129,720

During fiscal year 2023, Series 2005 (Manatee Cove) and Series 2008 A and B (Malabar Cove) bonds were both fully redeemed. In January 2023, Series 2020 (Tropical Manor Apartments) bonds were redeemed early.

Brevard County Housing Finance Authority
Notes to the Financial Statements

Note 6: BOND PROGRAMS (Continued)

As of September 30, 2022, the Authority had issued and outstanding the following bonds and notes pursuant to its authorization:

	Issue Amount	Outstanding Amount
Non-Conduit Debt		
Single Family/Homeowner Mortgage Revenue and Refunding Bonds:		
Series 1985 (capital appreciation)	\$ 29,999,372	\$ 226,575
Total Non-Conduit Debt	29,999,372	226,575
Conduit Debt		
Multi-Family Housing Revenue and Refunding Bonds:		
Series 2004 A and B (Wickham Club)	\$ 8,000,000	\$ 4,995,000
Series 2005 (Manatee Cove)	11,415,000	8,060,000
Series 2007 (Timber Trace)	14,100,000	9,080,000
Series 2007 A and B (Oak Meadows)	10,490,000	1,255,060
Series 2008 A and B (Malabar Cove)	13,100,000	5,670,000
Multi-Family Housing Revenue Note:		
Series 2016 (Trinity Towers)	\$ 9,450,000	\$ 5,052,834
Series 2017 (Crane Creek)	13,202,000	7,886,728
Series 2020 (Venue at Viera Senior Living)	16,755,000	16,755,000
Series 2020B (Southlake Towers)	12,760,000	2,360,000
Series 2021 (Millennia Project)	32,340,000	32,340,000
Series 2021 (Tropical Manor Apartments)	8,000,000	8,000,000
Series 2022 (Venue at Viera Senior Living)	1,990,000	1,990,000
Total Conduit Debt	151,602,000	103,444,622
Total	\$ 181,601,372	\$ 103,671,197

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

Single Family Mortgage Revenue Bonds, Series 1985

The Single Family Mortgage Revenue Bonds, Series 1985 matured on April 1, 2017 at the appreciated value of \$450,000.

On the Electronic Municipal Market Access (“EMMA”) website, the trustee published notices, which state, in part, the following. The entire notice may be accessed on the EMMA website by utilizing the “Quick Search” feature and entering the bond CUSIP.

“Notice to Holders of Non-payment of Principal”

April 7, 2017

Brevard County Housing Finance Authority

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 6: BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

Single Family Mortgage Revenue Bonds Series 1985

CUSIP: 107417GK7 (the "Bonds")

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

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

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

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

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

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 6: BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

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

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

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

“Notice to Holders of Non-payment of Principal”

March 5, 2018

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

CUSIP: 107417GK7 (the “Bonds”)

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

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company (“FGIC”), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC’s First Amended Plan of Rehabilitation dated June 4, 2013 (the “Plan”, and such policy as modified by the Plan being the “FGIC Policy”), a claim for the \$450,000 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, paid 25% (FGIC’s then-current cash payment percentage under the Plan, referred to as the “CPP”) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the “Fiscal Agent”), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payment to The Depository Trust Company (“DTC”), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC an assignment to FGIC of all of such its rights to payment of the unpaid principal in an amount equal to such claim payment.

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 6: BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

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

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

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

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

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

May 4, 2020

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

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 6: BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

CUSIP: 107417GK7 (the "Bonds")

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

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company ("FGIC"), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC's First Amended Plan of Rehabilitation dated June 4, 2013 (the "Plan", and such policy as modified by the Plan being the "FGIC Policy"), a claim for the \$450,000.00 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 38.5% (FGIC's adjusted cash payment percentage (referred to as the "CPP") under the Plan as of the September 4, 2018 effective date of the upward adjustment of the CPP in connection with FGIC's 2018 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the "Fiscal Agent"), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payments to The Depository Trust Company ("DTC"), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC, in the case of each such claim payment, an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to such claim payment.

FGIC announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the "2019 CPP Upward Adjustment") from 38.5% to 43.5% in connection with FGIC's 2019 annual revaluation of the CPP under the Plan, effective October 14, 2019. The registered Holders of the Bonds are entitled to receive, in connection with the 2019 CPP Upward Adjustment, an additional cash claim payment of \$22,500.00 by FGIC in respect of the permitted policy claim referred to above (the "DPO Payment") and \$1,587.73 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the "DPO Accretion Payment"), in each case as calculated in accordance with the Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Accretion Payment to the Trustee to distribute to the Bondholders. In accordance with the terms of the FGIC Policy, the Fiscal Agent will disburse the DPO Payment to DTC only after the Fiscal Agent receives from DTC an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to the DPO Payment.

Notwithstanding the Bond maturity date of April 1, 2017, the Bonds will continue to remain outstanding so that the Bondholders may receive additional amounts, if any, which may be payable from time to time under the FGIC Policy in connection with any further upward adjustment of the CPP, if applicable.

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 6: BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

However, no assurance can be given as to whether, when or in what amounts the CPP may be further adjusted pursuant to the Plan.

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

February 3, 2021

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

CUSIP: 107417GK7 (the “Bonds”)

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

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company (“FGIC”), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC’s First Amended Plan of Rehabilitation dated June 4, 2013 (the “Plan”, and such policy as modified by the Plan being the “FGIC Policy”), a claim for the \$450,000.00 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 43.5% (FGIC’s adjusted cash payment percentage (referred to as the “CPP”) under the Plan as of the October 14, 2019 effective date of the upward adjustment of the CPP in connection with FGIC’s 2019 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the “Fiscal Agent”), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payments to The Depository Trust Company (“DTC”), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC, in the case of each such claim payment, an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to such claim payment.

FGIC announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the “2019 CPP Upward Adjustment”) from 43.5% to 44.5% in connection with FGIC’s 2020 annual revaluation of the CPP under the Plan, effective October 4, 2020. The registered Holders of the Bonds are entitled to receive, in connection with the 2020 CPP Upward Adjustment, an additional cash claim payment of \$4,500.00 by FGIC in respect of the permitted policy claim referred to above (the “DPO Payment”) and \$668.04 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the “DPO Accretion Payment”), in each case as calculated in accordance with the Brevard County Housing

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 6: BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

Finance Authority Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Accretion Payment to the Trustee to distribute to the Bondholders. In accordance with the terms of the FGIC Policy, the Fiscal Agent will disburse the DPO Payment to DTC only after the Fiscal Agent receives from DTC an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to the DPO Payment.

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

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

February 7, 2022

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

CUSIP: 107417GK7 (the “Bonds”)

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

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company (“FGIC”), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC’s First Amended Plan of Rehabilitation dated June 4, 2013 (the “Plan”, and such policy as modified by the Plan being the “FGIC Policy”), a claim for the \$450,000.00 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 44.5% (FGIC’s adjusted cash payment percentage (referred to as the “CPP”) under the Plan as of the October 4, 2020 effective date of the upward adjustment of the CPP in connection with FGIC’s 2020 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the “Fiscal Agent”), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payments to The Depository Trust Company (“DTC”), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC, in the case of each such claim payment, an assignment to FGIC of all of its rights to payment of the unpaid principal in an amount equal to such claim payment.

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 6: BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

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

The registered Holders of the Bonds are entitled to receive, in connection with the 2021 CPP Upward Adjustment, an additional cash claim payment of \$23,175.00 by FGIC in respect of the permitted policy claim referred to above (the “DPO Payment”) and \$2,724.41 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the “DPO Accretion Payment”), in each case as calculated in accordance with the Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Payment to DTC and the DPO Accretion Payment to the Trustee to distribute to the Bondholders.

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

February 9, 2023

Notice to Holders of Additional Payment in respect of Principal

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

CUSIP: 107417GK7 (the “Bonds”)

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

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on April 1, 2017. The Trustee submitted to Financial Guaranty Insurance Company (“FGIC”), under the terms of the FGIC bond insurance policy No. 85010362 as modified by FGIC’s First Amended Plan of Rehabilitation dated June 4, 2013 (the “Plan”, and such policy as modified by the Plan being the “FGIC Policy”), a claim for the \$450,000.00 deficiency for the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, has paid claim payments totaling 49.65% (FGIC’s adjusted cash payment percentage

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 6: BOND PROGRAMS (Continued)

Single Family Mortgage Revenue Bonds, Series 1985 (Continued)

(referred to as the “CPP”) under the Plan as of the October 27, 2021 effective date of the upward adjustment of the CPP in connection with FGIC’s 2021 annual CPP revaluation under the Plan) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the “Fiscal Agent”), for the benefit of the Bondholders.

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

FGIC announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the “2022 CPP Upward Adjustment”) from 49.65% to 57.00% in connection with FGIC’s 2022 annual revaluation of the CPP under the Plan, effective December 8, 2022. The registered Holders of the Bonds are entitled to receive, in connection with the 2022 CPP Upward Adjustment, an additional cash claim payment of \$33,075.00 by FGIC in respect of the permitted policy claim referred to above (the “DPO Payment”) and \$4,852.49 currently payable by FGIC in respect of accretion accrued under the Plan on the unpaid amount of such policy claim (the “DPO Accretion Payment”), in each case as calculated in accordance with the Plan. FGIC has informed the Trustee that FGIC has made such payments to the Fiscal Agent for the benefit of the Bondholders, and the Fiscal Agent will distribute the DPO Payment to DTC and the DPO Accretion Payment to the Trustee to distribute to the Bondholders.

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

Note 7: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of assets, errors and omissions, personal injury, and natural disasters. As a dependent special district, the Authority is insured under Brevard County’s insurance plan. The coverage is provided at no cost to the Authority. In the past three years, there have been no claims settled exceeding the insurance coverage. As of September 30, 2023 and 2022, there were no outstanding claims.

Brevard County Housing Finance Authority Notes to the Financial Statements

Note 8: HILLSBOROUGH 2012 MBS ORIGINATION PROGRAM

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

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

The down payment and closing cost assistance was structured to provide non-amortizing second mortgage loans limited to \$10,000 for each borrower. The amount of down payment and closing cost assistance was reduced to \$7,500 effective October 1, 2018, and then increased to \$15,000 on June 22, 2022. During fiscal year 2023 and 2022, the number of mortgage loans originated in Brevard County totaled six and nine, respectively. During fiscal year 2023 and 2022, the number of mortgage loans originated in Brevard County, securitized as TBA Program mortgage backed securities ("MBS"), and sold by the Hillsborough HFA totaled four and fourteen, respectively. The Authority and the Hillsborough HFA have agreed to share the profits and losses associated with the sale by the Hillsborough HFA of the mortgage backed securities, which include Brevard County loans. During fiscal year 2023 and 2022, the income (i.e., MBS sales profits, net of any losses) recognized by the Authority in connection with the TBA Program was \$4,533 and \$27,713, respectively. The income has been classified as "TBA Program income" in the accompanying basic financial statements.

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

To the Members of the Board of the
Brevard County Housing Finance Authority

We have audited, 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, the financial statements of the Brevard County Housing Finance Authority, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Brevard County Housing Finance Authority’s basic financial statements, and have issued our report thereon dated February 12, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Brevard County Housing Finance Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Brevard County Housing Finance Authority, Florida’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Brevard County Housing Finance Authority’s internal control.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Brevard County Housing Finance 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida

February 12, 2024



Carr, Riggs & Ingram, LLC
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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Members of the Brevard County
Housing Finance Authority

Report on the Financial Statements

We have audited the financial statements of the Brevard County Housing Finance Authority, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 12, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and 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 Florida Auditor General. Disclosures in those reports, which are dated February 12, 2024, 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 annual financial audit report. There were no 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. The legal authority of the Brevard County Housing Finance Authority is disclosed in the footnotes. Brevard County Housing Finance Authority has no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Brevard County Housing Finance Authority, Florida 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 Brevard County Housing Finance Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Brevard County Housing Finance Authority. It is management's responsibility to monitor the Brevard County Housing Finance Authority, Florida'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.

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 (Unaudited)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6-8, Rules of the Auditor General, the Brevard County Housing Finance Authority reported the information below. This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

- | | |
|---|------------------|
| a. The total number of Authority employees compensated in the last pay period of the Authority's fiscal year as | 0 |
| b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year as | 0 |
| c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency. | 0 |
| d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency. | \$106,780 |
| e. Each construction project with a total costs of at least \$65,000 approved by the Authority that is schedule to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such projects as | None |
| 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 Authority amends a final adopted budget under 189.016(6), Florida Statutes. | |

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues				
SF 2001 - FNMA/GNMA Certif.	\$ 5,500	\$ 5,500	\$ -	\$ (5,500)
SF 2002 BC - GNMA Certif	7,000	7,000	-	(7,000)
SF TBA Program	20,000	20,000	4,533	(15,467)
Authority fees	222,448	222,448	243,711	21,263
Application and inducement fees	-	-	5,355	5,355
Interest income	900	900	180	(720)
Total operating revenues	255,848	255,848	253,779	(1,214)
Operating expenses				
General operating and administrative	27,900	27,900	19,707	(8,193)
Professional fees and expenses	105,750	105,750	103,677	(2,073)
Provision for loan loss	-	-	24,652	24,652
Special projects	20,000	20,000	20,000	-
Total operating expenses	153,650	153,650	168,036	14,386
Operating income	102,198	102,198	85,743	(15,600)
Non-operating revenues (expenses)				
Investment interest/dividend income	-	-	176,324	176,324
Realized loss on investments	-	-	(62)	(62)
Decrease in fair market value of investments	-	-	(2,742)	(2,742)
Other income	-	-	33,075	33,075
Total non-operating revenues (expenses)	-	-	206,595	206,595
Change in net position	102,198	102,198	292,338	190,140
Net position, beginning of year	8,068,713	8,068,713	8,068,713	-
Net position, end of year	\$8,170,911	\$8,170,911	\$8,361,051	\$ 190,140

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

- a. The millage rate or rates imposed by the Authority. **None**
- b. The total amount of ad valorem taxes collected by or on behalf of the Authority. **None**
- c. The total amount of outstanding bonds issued by the Authority and the terms of such bonds as **\$81,129,720
Conduit Debt, See Note 6**

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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
February 12, 2024



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

To the Members of the Board of the
Brevard County Housing Finance Authority

We have examined the Brevard County Housing Finance Authority's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management of the Brevard County Housing Finance Authority is responsible for the Brevard County Housing Finance Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Brevard County Housing Finance 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 Brevard County Housing Finance Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Brevard County Housing Finance 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 obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Brevard County Housing Finance Authority, Florida's compliance with specified requirements.

In our opinion, the Brevard County Housing Finance Authority complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023.

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

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
February 12, 2024