

BROWARD COUNTY HOUSING AUTHORITY
LAUDERDALE LAKES, FLORIDA

Annual Financial Report

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S
REPORT**

**FOR THE FISCAL YEARS ENDED
SEPTEMBER 30, 2024 AND 2023**

Prepared by Finance Department



**ANNUAL FINANCIAL REPORT FISCAL YEARS ENDED
SEPTEMBER 30, 2024, AND 2023**

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INTRODUCTORY SECTION



September 15, 2025

To the Honorable Members of the Board of Commissioners, Directors, Program Participants, Residents, Audit Committee Members, and Citizens of Broward County:

State law requires that every Housing Authority publish a complete and full financial accounting and audit in accordance with federal audit standards of public housing agencies. This report is published to fulfill that requirement for the fiscal year ended September 30, 2024.

Assumption of Responsibility

The Broward County Housing Authority's (BCHA) management produced this report in accordance with guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The responsibility for the accuracy, fairness, completeness, and reliability of the financial statements, note disclosures, supplementary schedules, and statistical data presented rests with the management of BCHA. It is the representation of management that the enclosed data fairly presents, in all material respects, the financial position and results of operations of the BCHA.

Internal Control

The present accounting system includes the necessary internal controls to ensure reasonable, but not absolute, assurance regarding the safekeeping of assets against loss from unauthorized use or disposition. It also ensures that adequate accounting data are combined to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. Evaluations of internal controls occur periodically. We believe that the BCHA's current internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording and reporting of financial transactions.

As a recipient of federal and county financial assistance, the BCHA is also responsible for ensuring that an adequate internal control structure to facilitate compliance with applicable laws and regulations related to those programs. The BCHA is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, subpart F, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Information relating to the findings, recommendations, and all other aspects concerning this single audit is included in separate documents.

Independent Audit

BCA Watson Rice LLP, Certified Public Accountants, has issued an unmodified (“clean”) opinion on the Broward County Housing Authority’s financial statements for the year ended September 30, 2024. The independent auditor’s report is located at the front of the Financial Section of this report on page 1.

Management’s Discussion and Analysis (MD&A)

MD&A immediately precedes the independent auditor’s report and provides a narrative overview of market and governmental dynamics that may impact basic financial statements in the current FY2025 and into FY2026.

BCHA Profile

The Broward County Housing Authority, founded in 1969, now operates as a Special District under the State of Florida statutes Section 421.27. It is not a part of Broward County Government or the Broward County Housing Finance Authority. It is located in central Broward County to conveniently serve all County residents. Broward County is considered to be a densely populated growth area. With a population of approximately 1.9 million people, the County is one of the largest counties in the country, and Florida ranks third (tied with Texas) in value of federally funded multifamily loans bought by Fannie Mae and Freddie Mac from 2018 to 2023.

The Broward County Housing Authority primarily relies on operating income from rental property management, development fees derived from public/private partnerships that expand the multifamily affordable portfolio, and program management fees for administration of the federal housing choice voucher program. The Broward County Housing Authority is not empowered to levy property tax on real property within its service jurisdiction and is not a budgeted recipient of municipal or county tax dollars.

The Broward County Housing Authority has operated under the Independent Special District form of government since 1990, with the Governor of the State of Florida appointing five commissioners to set policy for the Authority. Commissioners serve four-year terms. The Chief Executive Officer (CEO) is selected by the Board and serves under a contract. The CEO also serves as the Assistant Secretary for three not-for-profits and multiple affiliated General Partnerships. The CEO, in turn, appoints subject matter experts as Executive Deputy Directors, and they manage department heads to handle the day-to-day operations of the Broward County Housing Authority.

The Broward County Housing Authority has direct responsibility for a range of financially attainable housing consisting of independently built or acquired multifamily housing without federal subsidy; apartment development with tax credits, bonds, and a layered financial structure; and voucher administration to assist elderly, disabled, veterans, low-income families, and other special populations attain housing stability. Further, the Housing Authority provides housing counseling, including first-time home buyer assistance, mortgage foreclosure prevention assistance, and Family Self-Sufficiency guidance to achieve life goals and move beyond all federal subsidies. The combined housing resources reach approximately seven thousand families per day. Fifty-one percent are considered elderly or disabled. The Authority was an early participant in the Rental Assistance Demonstration (RAD) program and marked the end of participation in the public housing program. Many properties were redeveloped and yielded a 60% expansion and modernization of housing opportunities within the original public housing footprint.

Annual Budget

The Board of Commissioners is required to adopt an initial budget for the fiscal year no later than September 30 before the beginning of the fiscal year on October 1. This annual budget serves as the foundation for the Broward County Housing Authority's financial planning and control. The budget is prepared by fund, function (e.g., Housing Choice Vouchers), and department (e.g., Development). Department heads may transfer resources within a department as they deem appropriate to meet the goals and objectives set for their department and/or programs. Transfers between departments, however, require approval from the CEO. Those transfers are reported to the Affiliate Board of Directors at the next regularly scheduled meeting.

Reserves

Unrestricted fund balance (the total of the uncommitted and unassigned components of fund balance) in the general fund at year end was 26 percent of total revenues. This amount is slightly above the minimum amount recommended for best practices for budgetary and planning purposes (i.e., two months of general fund revenues, approximately 16.7%).

Economic Condition and Outlook

Recent years have seen a steady influx of relocating out of state residents, driving up home ownership and rental costs at historic rates. The median sales price for single-family homes in Broward County in 2024 was \$561,000. Southeast Florida saw a population increase of 200,000 over the last two years, and the region is projected to gain another 80,000 residents in 2025, further pressuring the market.

While Florida added over 240,000 multifamily rental units between 2019 and 2023, the median rent still increased by almost \$500.00 per month. Within the BCHA Service area, the housing choice voucher landlord per unit costs grew by over 16% last year. The per-unit cost (not total rent) is over \$2,000 per month. (Source: 2025 Rental Market Study -Shimberg Center Florida Housing Studies)

The 2025 Out of Reach report through the National Low-Income Housing Coalition reflects the Fort Lauderdale area as the most expensive area in Florida with a Housing wage of \$45.92. A "housing wage" is the estimated hourly wage a full-time worker must earn to afford a modest rental home at the Department of Housing and Urban Development's Fair Market Rent. Regrettably, with a minimum wage of \$13.00 per hour and an average renter's wage of \$23.23, the rising cost of housing is greatly impacting working families and households in Broward County. Most of these families and households are employed in service sector occupations, such as retail trade, leisure and hospitality, educational, and health services. As a result, affordable rental housing is often the only viable option for most working households and families in the service sector. While the Southeast Florida Residential Market Report, published by Miami Commercial Realtors, January 2025, indicates the market may gradually approach "normalization" or a leveling of the per-unit rate of rent increase, quality affordable housing remains a challenge to many residents.

The other primary concern outside market conditions is related to HUD. The budget authority from Housing and Urban Development at the Federal level may not increase at the same pace as per-unit rental costs in the marketplace. Miami, Palm Beach, and Fort Lauderdale, Florida, had their cumulative rent growth exceeding 48 percent from March 2020 to March 2025. These South Florida metros had limited inventory growth and cannot

expand as rapidly as communities in the Southwest.

Concerns

Federal Programs such as HUD, a primary BCHA funding source, face the prospect of significant policy and financial alterations. A \$27 billion or 43% cut was proposed in the President's "skinny budget". Also, a proposed two-year time limit would most likely affect working families and children. That action, if implemented, would disrupt the macro-Broward housing sphere and directly increase administrative Agency costs to monitor and report compliance; evaluate singular cases of extenuating circumstances; respond to Fair Housing or reasonable accommodation complaints; process eviction termination hearings, and identify new households, verify eligibility, and replace affected program participants.

Responsive Containment Actions

To effectively keep all current program participants sheltered and remain within federal appropriations, the BCHA will:

Work with HUD federal shortfall teams to prevent termination of assistance. Meeting August 21, 2025

Take reasonable cost-saving measures that include:

- Cease issuing new vouchers. Allow "attrite" vouchers to gradually reduce program costs.
- Formally change internal policies to downsize vouchers (bedroom size) for new admissions and families moving within the program (effective 5/1/25).
- Increase incoming verification frequency to calculate and update new or additional increase (effective 7/1/25).
- Not absorb vouchers transferring to BCHA
- Monitor voucher expiration and allotted search time.
- Exam zero income rent and repayment agreements.

Major Initiatives Growth

As part of its development plan, the BCHA's non-profit 501(c)(3) affiliate Building Better Communities, Inc. (BBC) engaged a developer to assist in the development of Hillsboro Landing (aka Tallman Pines III) in Deerfield Beach. The forty-million-dollar project (\$40,000,000) was recently completed in a Public/Private Partnership. It is designed to house extremely low-income "frail elderly." It includes an attached multistory parking garage. The seventy-five apartments are recently fully occupied, and a ribbon-cutting ceremony is scheduled for September 2025. An adjacent site suitable for eighty (80) side-by-side villas is in the formative planning stage. These advancements, plus prior development on the former public housing site, have leveraged one hundred and twelve (112) public housing units to three hundred and fifty-five (355) apartments at full build-out.

The BCHA's affiliate BBC is plating two parcels in Oakland Park for future affordable housing development. Nine single-family lots were acquired. The BCHA has a successful townhouse design used in Hollywood, FL, and Wilton Manors. The community indicated an interest in single-family homes. But a small townhouse development would allow for up to twenty townhomes, designed to blend seamlessly into the community to serve more families and in a more efficient operating manner for the Agency than nine single-family rental homes.

Also, a plat subdivision allowed expansion in Davie, FL. "Tequesta Reserve" is a 76-unit senior community. It is in the final construction stage. Forty-two million dollars were brought to the project, designed to serve the frail elderly. This project represented the first major self-developed and bond-financed project in the fifty+ years of the BCHA's existence.

The BCHA has initiated discussions to support developers offset market uncertainties of interest rates and tariff challenges by launching a new "Restore Rebuild" initiative. The plan will require external collaboration with development partners and a new internal integration between traditional Real Estate Management (physical) functions and Assisted Housing (voucher) program administration. Preliminary plans target a maximum of four hundred deeply affordable new apartments embedded in planned New construction, over the next several years.

These plans and immediate actions are designed to address community housing needs throughout Broward County and position the Housing Authority for a sustainable future.

Acknowledgements

This report, and the agency's continued operations plan, would not be possible without the skilled effort and dedication of the entire staff.

Respectfully submitted

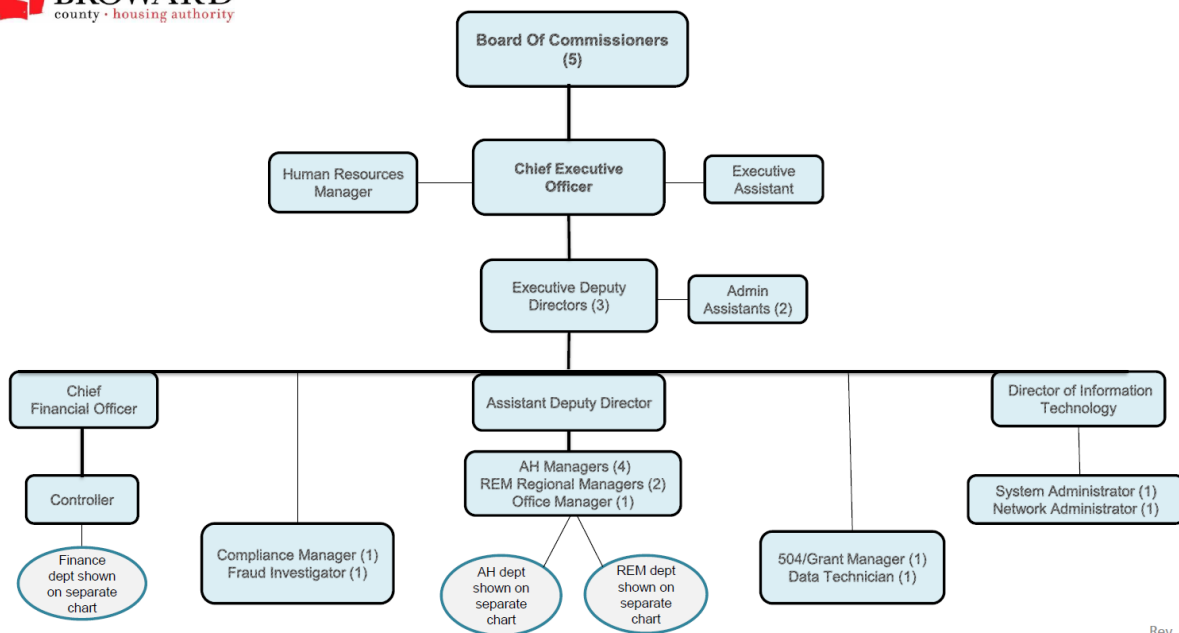
Parnell Joyce, CEO

Paul Raikes, CFO

BROWARD COUNTY HOUSING AUTHORITY'S ORGANIZATIONAL STRUCTURE



Administration Organizational Chart
FY 2025



Rev. 8/2024



Broward County Audit Committee

Mike Gossman
John Scannell
Mike Lambrechts
Pierre Philantrope
Jacques Moise

Broward County Housing Authority

John T. Loos III	Chair
Mark O'Loughlin	Commissioner
Karyne Pompilus	Commissioner

Executive Management Staff

Parnell Joyce	CEO
Paul Raikes	Chief Financial Officer
Jeffrey Sutton	Controller
Jose Tavaréz	Director Of Information Technology
Marie De La Rosa	Executive Deputy Director
Tiffany Garcia	Executive Deputy Director
Tisha Pinkney	Executive Deputy Director
Noah Szugajew	Assistant Deputy Director

Management Staff

Ana Alvarez	Property Manager
Behania Alcantara	Affordable Property Manager
Dayana Polanco	Property Manager
Denise Sanchez	Property Manager
Derick Morgan	Construction Manager
Edith Galloza	Multifamily Property Manager
Hilda HoSang	Office Manager
Iryna Chapman	Human Resources Manager
Marjorie Laroche-Bhimsain	Asst Housing Manager
Megan Albano	Asst Housing Manager
Meggan Reid-Livingstone	Intake Manager
Neva Whittaker	Senior Program and Section 504 Mgr.
Renee Miles	Compliance Manager
Robin Cuddemi	Asst Housing Manager
Sheneeka Perry	Property Manager
Timothy Thomas	Fraud Investigator

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Broward County Housing
Authority Lauderdale Lakes,
Florida

Opinion

We have audited the accompanying financial statements of the Broward County Housing Authority (the "Authority"), as of and for the years ended September 30, 2024 and 2023, 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 Authority as of September 30, 2024 and 2023, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units as of September 30, 2024 and 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for aggregate discretely presented component units, are based solely on the report of the other auditors.

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 Broward County Housing 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.

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 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 the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States , we:

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

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 and the required supplementary information related to pension plans 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the BCHA's basic financial statements. The combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2025 on our consideration of the BCHA'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 BCHA'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 BCHA's internal control over financial reporting and compliance.

Miramar, Florida
September 15, 2025

BCH Watson Rice LLP

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Broward County Housing Authority (“BCHA” or “Authority”), we offer the readers of the Authority’s financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended September 30, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with the Authority’s financial statements and information provided in the transmittal letter.

The Broward County Housing Authority was founded in 1969 and became an independent special district in 1991 under the State of Florida statutes Section 421.27. Broward County Housing Authority has been aggressive in utilizing nontraditional housing strategies to increase the pool of units available and to serve a range of demographic needs. The Authority has been aggressive in the replacement of older units using a variety of resources.

The Authority’s financial statements for the fiscal years ended September 30, 2024, and 2023, are presented in accordance with the financial reporting model developed by the Governmental Accounting Standards Board, Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments* (GASB 34).

FINANCIAL HIGHLIGHTS

Entity-wide

- As of September 30, 2024, and 2023, assets and deferred outflows of the Authority exceeded liabilities and deferred inflows by \$63.2 million and \$60.8 million, respectively; the increase was due to positive operating results at the properties.
- As of September 30, 2024, and 2023, the Authority’s net current assets (current assets minus current liabilities) were \$1.7 million and \$13.0 million, respectively, a decrease of \$11.1 million and a decrease of \$9.6 million in cash, respectively; net investment in capital assets were \$23.8 and \$24.1 million, respectively.
- As of September 30, 2024, and 2023, unrestricted net position was \$39.8 million and \$32.2 million, respectively; restricted net position was \$8.2 million and \$4.5 million, respectively.

PROGRAM HIGHLIGHTS

Enterprise Fund

The Broward County Housing Authority financial statements are presented as a single governmental entity on a single enterprise fund basis with blended components and discrete component units. The various primary governmental activities include: Multi-family, Housing Choice Voucher Program (“Section 8” or “HCV”), and Other Enterprise activities, consisting of discrete Affordable Housing affiliates, Housing Counseling, Development and the Central Office Cost Center.

PROGRAM HIGHLIGHTS (Continued)

Multi-family converted 373 apartments through the Rental Assistance Demonstration program (“RAD”) from Public Housing during fiscal years 2014 and 2015; Housing Choice Voucher Program served approximately 5,500 renters, Shelter Plus Care Program served 339 participants, and there were 122 Affordable Housing units.

In addition to providing housing services through the primary government, the BCHA has expanded its income-restricted affordable housing operations with the use of various resources, including Low Income Housing Tax Credit (LIHTC) equity invested in various limited partnerships. These limited partnerships have been included as discrete component units of the BCHA primary government because of Government Accounting Standard Board’s (GASB) Statement No. 80: nevertheless, the board of the affiliates may impose its will on the partnerships; the BCHA board and the affiliates’ General Partner board consist of the same individuals; and, there is a financial benefit relationship between the Authority and the component units. The seven-tax credit limited partnerships consist of: Crystal Lakes, 190 units; East Village (Ehlinger), 155 units; Highland Gardens, 100 units; Oakland Preserve, 80 units; Progresso, 76 units; Tallman Pines, 176 units; and Tallman Pines II, 24 units, for a total of 801 LIHTC units. Each of these properties is disclosed as a discrete component unit.

The Authority has undertaken a responsible and well-executed business model for its development program, which limits risk and exposure for the public, generates development and related fee income, and results in public control of affordable housing real estate assets following the completion of the project’s development obligation period. Under this business model, a skilled development partner assumes the major guarantees required to finance and construct the housing. Once the project is completed and stabilized, the developer co-general partner passes control and managing general partner responsibilities over to the Authority’s affiliate management/ownership entity, subject to the approval of all private and public investors. This has enabled the Authority to more than double its portfolio of units:

As of December 31, 2023

	Units	Capital Asset	Mortgage	Equity	Tax Credit Funding
Tallman Pines I	176	\$ 13,326,074	\$ 3,167,933	\$ 13,374,956	\$ 24,350,000
Tallman Pines II	24	2,705,130	3,620,716	(634,421)	1,958,270
Highland Gardens	100	8,185,003	1,663,506	7,828,747	15,000,000
Ehlinger	155	16,739,160	6,400,691	11,541,496	25,260,000
Oakland Preserve	80	11,609,448	1,571,323	11,771,016	14,264,560
Progresso	76	13,173,452	2,350,882	9,278,022	19,450,850
Crystal Lakes	190	14,118,276	1,366,676	7,176,031	16,750,000
Totals	801	\$ 79,856,543	\$ 20,141,727	\$ 60,335,847	\$ 117,033,680

PROGRAM HIGHLIGHTS (Continued)

Once the Authority, through an affiliate nonprofit or for-profit corporation instrumentality, assumes control as managing general partner of the management ownership entity it receives the benefit of all cash flow and related proceeds permitted under the financing arrangements with the investors. This business model has resulted in the ongoing provision of cash proceeds to the Authority's instrumentality which is then available for other development activities and related purposes consistent with the overall mission of the Authority.

In fiscal years 2024 and 2023, the Authority is reporting the revenue and expense associated with the Housing Choice Voucher (Section 8) families who move from another jurisdiction to Broward County. Revenues and expenses associated with that program were \$8,339,027 for 2024 and \$13,609,157 for 2023. In accordance with HUD regulations, those families who port-in from another jurisdiction are eligible to have their rents subsidized by the Authority which is reimbursed by the originating jurisdiction. In conjunction with the rent subsidy, the Authority earns a modest fee from the originating jurisdiction for assisting the family.

The Authority has been better able to serve the needs of the community through the provision of multi-family affordable housing which consists of sites with contemporary and energy efficient design more suitable to families and the elderly. All of the units created and mentioned above, while operating under the rules of the LIHTC Program, are even more income restricted than the public housing units they replaced.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- **Statement of Net Position** - reports the Authority's financial resources (economic expendable resources) with capital assets and long-term debt obligations.
- **Statement of Revenues, Expenses and Changes in Net Position** - reports the Authority's operating and non-operating revenue and expenses and capital contributions.
- **Statement of Cash Flows** - presents total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt service, prior period obligations, etc.). In addition, the statement reflects receipt of cash obligated to the Authority in prior periods and subsequently received during the current fiscal year).
- **Notes to the Basic Financial Statements** - provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, the notes reflect the impact (if any) of any uncertainties the Authority may face.

- **Supplemental Information (SI)** – Financial Information presented together with basic financial statements that is not included within the scope of the audit of those statements.
- **Required Supplemental Information (RSI)** – Statements, schedules, statistical data or other information that GASB has determined to be necessary to supplement the financial statements.

Our analysis of the Authority as a whole begins on the next page. The most important question asked about the Authority’s finances; “Is the Authority, as a whole, better or worse off as a result of the year’s activities?” The attached analysis of entity-wide net position, revenue and expenses is provided to assist with providing an answer to this question.

The Authority presents its financial statements and results for the fiscal years ended September 30, 2024 and 2023, on an accrual basis and as a single governmental entity with blended component units on a single enterprise fund basis. The government-wide and enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Our analysis also presents the Authority’s net position and changes therein. The reader can think of the Authority’s net position as the difference between what the Authority owns (assets) and deferred outflows and what the Authority owes (liabilities) and deferred inflows. The change in net position analysis will assist the reader with measuring the health or financial position of the Authority.

Over time, significant changes in the Authority’s net position are indicators of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority, the reader must also consider other nonfinancial factors such as; changes in family composition, fluctuations in the local economy, U.S. Department of Housing and Urban Development (HUD) mandated program administrative changes, and the physical condition of the Authority’s capital assets.

The Statement of Net Position provides information on the assets available to the Authority at the end of the fiscal year to support future operations and the liabilities owed by the Authority that have to be reduced or paid off by the liquidity of current or future assets. These Statements also identify the accumulated position of unrestricted net position and the impact of net operating results and non-operating transactions that has transpired since the inception of the Authority.

The Statement of Revenues, Expenses, and Changes in Net Position represents the results from normal operations of the activities managed by the Authority and the fiscal years’ impact on the net position in the Authority’s Statement of Net Position.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The Statement of Cash Flows contains the increase and decrease changes in the Authority’s cash balances resulting from all of the financing, operating and investing activities of the Authority during the fiscal years.

CURRENTLY KNOWN FACTS AND CONDITIONS (Continued)

additional LIHTC senior housing development of 76 units at Tequesta Reserve is being developed and is planned to be funded with 4 percent tax credits. Inflation and rising interest rates have delayed this project.

FINANCIAL ANALYSIS

Primary Government Including Blended Affiliates

Statements of Net Position

				%	%
	2024	2023	2022	2024/ 2023	2023/ 2022
Current assets	\$ 16,637,491	\$ 15,115,049	\$ 30,068,303	-61%	-50%
Investments	27,994,901	26,468,716	7,792,561	61%	100%
Restricted assets	2,813,550	5,042,314	6,818,463	-44%	-26%
Capital assets, net of depreciation	24,240,731	24,142,005	25,458,542	0%	-5%
Total Assets	<u>75,630,723</u>	<u>70,768,084</u>	<u>70,137,869</u>	<u>7%</u>	<u>1%</u>
Deferred outflows	<u>5,222,398</u>	<u>4,602,887</u>	<u>3,518,712</u>	<u>13%</u>	<u>31%</u>
Current liabilities	4,227,846	2,148,423	2,310,073	97%	-7%
Non-current liabilities payable					
from restricted assets	468,632	504,273	485,070	-7%	4%
Pension liabilities	7,817,553	8,643,964	7,154,512	-10%	21%
Long-term liabilities	<u>1,147,844</u>	<u>918,409</u>	<u>965,949</u>	<u>25%</u>	<u>-5%</u>
Total Liabilities	<u>13,661,875</u>	<u>12,215,069</u>	<u>10,915,604</u>	<u>12%</u>	<u>12%</u>
Deferred inflows	<u>4,035,918</u>	<u>2,374,244</u>	<u>1,344,516</u>	<u>70%</u>	<u>77%</u>
Net investment in capital assets	24,240,731	23,996,061	25,232,619	1%	-5%
Restricted	(422,550)	4,537,544	6,333,414	-109%	-28%
Unrestricted	<u>39,337,147</u>	<u>32,248,053</u>	<u>29,830,428</u>	<u>22%</u>	<u>8%</u>
Total Net Position	<u>\$ 63,155,328</u>	<u>\$ 60,781,658</u>	<u>\$ 61,396,461</u>	<u>4%</u>	<u>-1%</u>

Assets and deferred outflows

As of September 30, 2024, current assets decreased by \$9.1 million from 2023, a decrease in cash of \$9.6 million, due to investment in US Treasury Notes in the Housing Choice Voucher program and the affiliates. Capital assets had a net decrease of \$16.1 million. Deferred outflows increased by \$224 thousand per the GASB 68 pension actuarial Florida Retirement System (FRS) calculation.

Primary Government Including Blended Affiliates (Continued)

As of September 30, 2024, current assets decreased by \$9.1 million from 2023, a decrease in cash of \$9.6 million, due to US Treasury Notes in the Housing Choice Voucher program. Capital assets had a net decrease of \$380 thousand. Deferred outflows increased by \$619 thousand per the GASB 68 pension actuary Florida Retirement System (FRS) calculation.

FINANCIAL ANALYSIS

Statements of Revenues, Expenses, and Changes in Net Position for the Years Ended September 30, 2024, 2023, and 2022

	2024	2023	2022	% 2024/ 2023	% 2023/ 2022
Revenues					
Operating Revenue					
Rental income	\$ 3,735,014	\$ 3,381,042	\$ 3,083,332	10%	10%
Management fees	1,909,095	1,845,510	2,413,241	3%	-24%
Federal grants and subsidies	142,756,273	128,521,073	115,440,845	11%	11%
Operating Revenue	<u>148,400,382</u>	<u>133,747,625</u>	<u>120,937,418</u>	<u>11%</u>	<u>11%</u>
Non-Operating Revenue					
Grants	-	118,898	64,807	-100%	83%
Interest income/(expense)	1,838,835	826,176	(58,848)	-123%	-1504%
Affordable Housing investment revenue	2,979,416	2,822,795	2,350,342	6%	20%
Gain/(loss) on capital assets	94,891	(192,157)	-	-100%	100%
Other revenue/(expense)	192,721	191,840	145,326	0%	32%
Non-Operating Revenue	<u>5,105,863</u>	<u>3,767,552</u>	<u>2,501,627</u>	<u>36%</u>	<u>51%</u>
Total Revenues	<u>153,506,245</u>	<u>137,515,177</u>	<u>123,439,143</u>	<u>12%</u>	<u>11%</u>
Expenses					
Administration	16,672,507	12,744,847	10,534,306	31%	21%
Tenant services	87,763	92,209	81,218	-5%	14%
Utilities	406,591	376,071	317,184	8%	19%
Maintenance and operations	2,940,941	2,835,229	2,551,386	4%	11%
HAP payments and port-in expense	129,586,155	120,818,290	106,968,795	7%	13%
Pension expense	-	-	-		
Depreciation	1,438,617	1,461,314	1,526,277	-2%	-4%
Total Expenses	<u>151,132,574</u>	<u>138,327,960</u>	<u>121,979,166</u>	<u>9%</u>	<u>13%</u>
Increase/(Decrease) in Net Position	<u>2,373,671</u>	<u>(812,783)</u>	<u>1,459,977</u>	<u>-392%</u>	<u>-156%</u>
NET POSITION, Beginning	60,820,133	61,396,461	59,915,261	-1%	2%
prior period adjustment	<u>(38,476)</u>	<u>197,980</u>	<u>21,223</u>	<u>-119%</u>	<u>100%</u>
NET POSITION, Ending	<u>\$ 63,155,328</u>	<u>\$ 60,781,658</u>	<u>\$ 61,396,461</u>	<u>4%</u>	<u>-1%</u>

FINANCIAL ANALYSIS (Continued)

Primary Government Including Blended Affiliates (Continued)

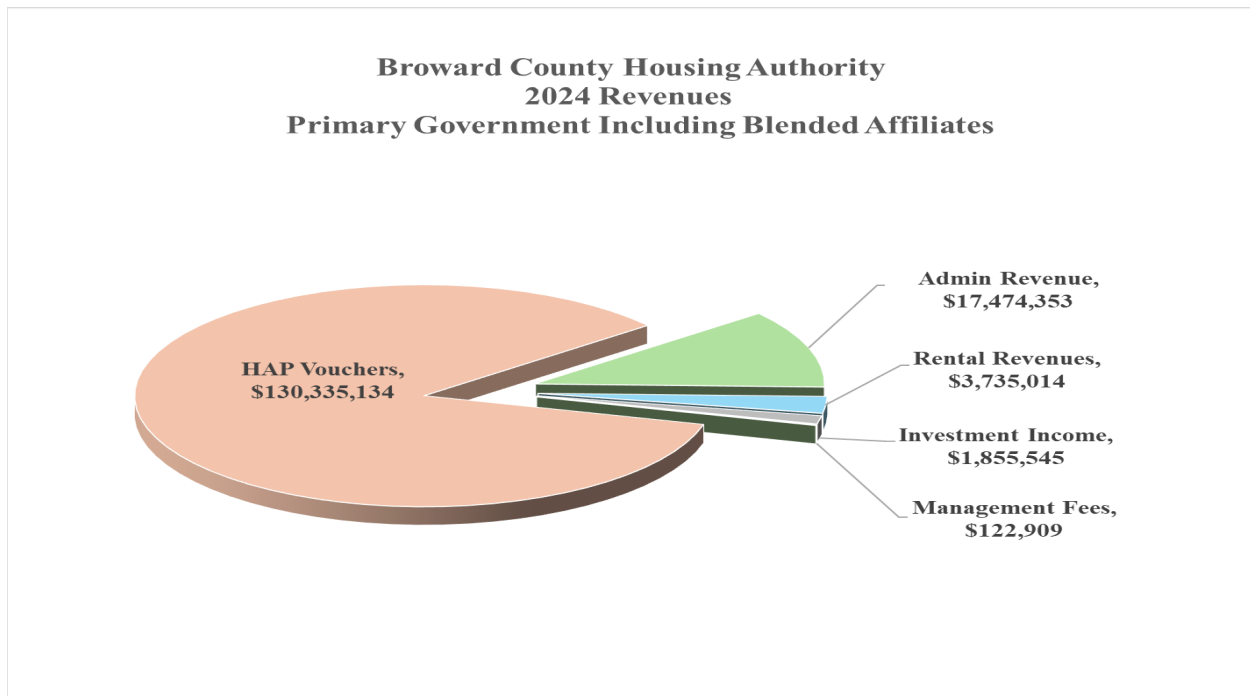
Liabilities and deferred inflows

At September 30, 2024 and 2023, Net Pension Liability decreased by \$826 thousand and increased by \$1.5 million, respectively, while deferred inflows increased by \$1.7 million and increased by \$1.0 million respectively, per the GASB 68 pension actuarial Florida Retirement System (FRS) calculation.

Net Position

At September 30, 2024, 2023 and 2022, the Authority's net positions were \$63.2 million, \$60.8 million and \$61.4 million, respectively, of which unrestricted net position was \$39.8 million (and restricted net position was \$(423 thousand) for 2024), \$32.2 million and \$29.8 million, respectively. Unrestricted net position increased in 2024 by \$7.6 million due to transferring funds from unrestricted cash accounts to investments accounts and \$5 million HCV net position to Tequesta Reserves, in addition to receiving over \$5 million in developer fees.

Revenues



Total revenues for the years ended September 30, 2024, 2023 and 2022, were \$153.5 million, \$137.5 million and \$123.4 million (before loss on disposal of capital assets), respectively.

FINANCIAL ANALYSIS (Continued)

Primary Government Including Blended Affiliates

Revenues

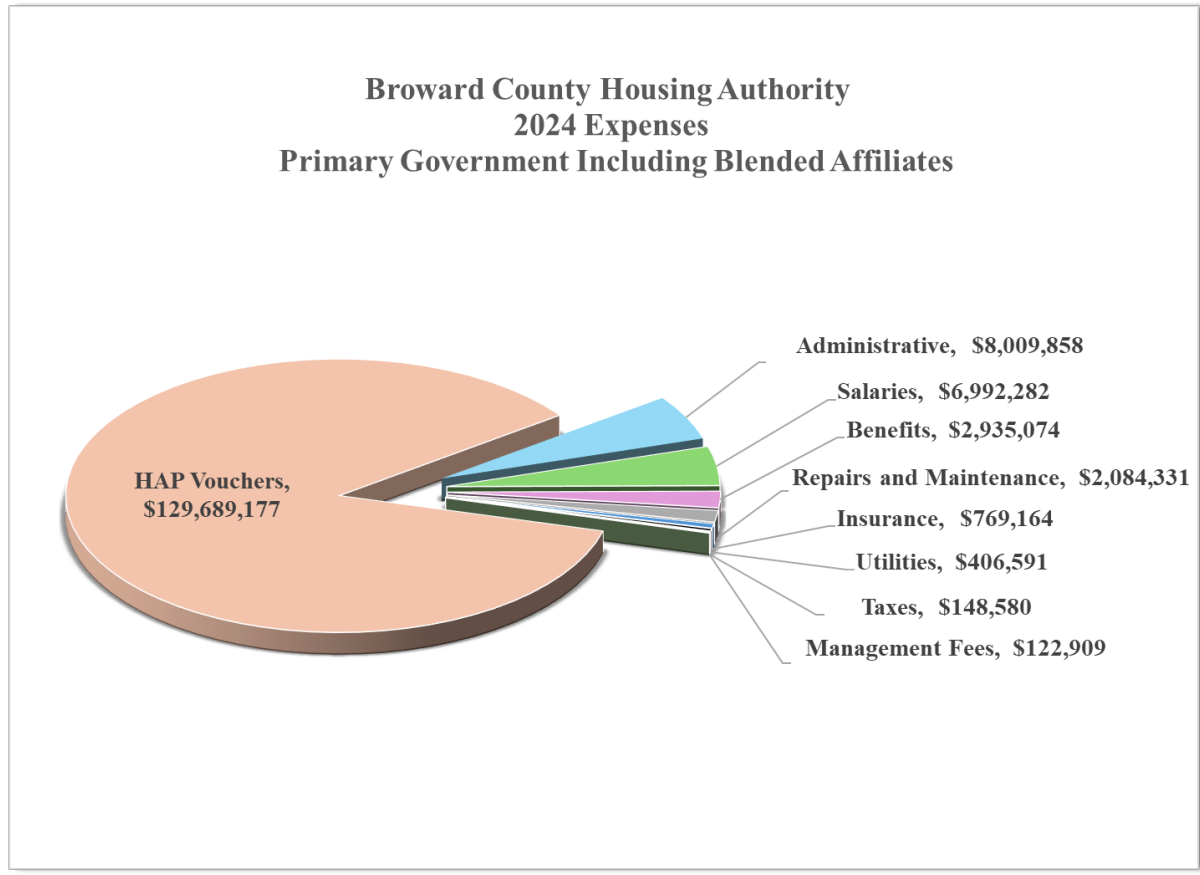
For 2024 this is an increase of \$16 million, primarily due to;

- an increase in Housing Choice Voucher (HCV) revenue of \$11.4 million due to increased HAP funding, new Emergency Vouchers and expanded non-HCV assisted housing programs,
- a decrease of \$265 thousand in HCV admin fees due to increased prorations,
- an increase of \$354 thousand in rental income due to an increase in rent charges
- an increase of \$1 million in interest earnings due to increased earnings on investments,
- an increase of \$73 thousand in Affordable housing investments revenue,
- an increase, of \$881 thousand, in rent subsidy for Multi-family,
- an increase of \$1 million in cash flow revenues from discrete component units,
- an increase in Port-in HAP revenue of \$3.1million due to port-in vouchers higher costs.

For 2023 this is an increase of \$14.1 million, primarily due to;

- an increase in Housing Choice Voucher (HCV) revenue of \$10.8 million due to increased HAP funding, new Emergency Vouchers and expanded non-HCV assisted housing programs,
- an increase of \$749 thousand in HCV admin fees due to increased prorations,
- an increase of \$298 thousand in rental income due to an increase in rent charges by 10%,
- an increase of \$885 thousand in interest earnings due to increased earnings on investments,
- an increase of \$472 thousand in Affordable housing investments revenue,
- a decrease, of \$47 thousand, in rent subsidy for Multi-family,
- an increase of \$432 thousand in cash flow revenues from discrete component units,
- an increase in Port-in HAP revenue of \$898 thousand due to port-in vouchers higher costs

Expenses



Program expenses for the years ended September 30, 2024, 2023 and 2022, were \$151.1 million, \$138.3 million and \$122.0 million, respectively.

For 2024, this is an increase of \$12.9 million primarily due to:

- increased expenses of \$14.0 million for Housing Assistance Payments (HAP) due to higher rents,
- decreased expenses of \$5.2 million for (HAP) port-in expense due to fewer vouchers being absorbed for holders moving into the county from other jurisdictions but paying higher per unit costs,
- increased utilities expenses of \$30 thousand, and
- increased administrative operations expenses of \$3.8 million due to pension expense actuarial charge under GASB 68 and due to additional salaries and benefits costs.

FINANCIAL ANALYSIS (Continued)

Primary Government Including Blended Affiliates (Continued)

Expenses (Continued)

For 2023, this is an increase of \$16.3 million primarily due to:

- increased expenses of \$13.0 million for Housing Assistance Payments (HAP) due to higher rents,
- Increased expenses of \$898 thousand for (HAP) port-in expense due to fewer voucher holders moving into the county from other jurisdictions,
- Increased utilities expenses of \$59 thousand, and
- increased administrative operations expenses of \$2.2 million, primarily due to an \$1.4 million expense actuarial costs under GASB 68 and due to additional salaries and benefits costs from an increased head count and a COLA.

Blended and Discrete Component Units (Discrete Partnerships)

The Authority is required to include its affiliates which are non-limited partnerships as Blended Component Units. The limited partnerships for which the affiliates of the Authority serve as managing partners are reported as discrete component units. Component units are related but legally separate entities that are evaluated for possible inclusion within the Authority's reporting entity depending on financial accountability and the nature and significance of the relationship. During 2015, the Authority adopted a new accounting policy for its partnerships to assure uniformity and consistency in accounting for new tax credit properties complying with the Governmental Accounting Standards Board ("GASB") 14, 39, 61 and 80. GASB is a private non-governmental organization that has been issuing generally accepted accounting principles ("GAAP") used by state and local governments in the U. S. since 1984.

This accounting policy states that as tax credit properties are developed and these projects meet the stabilization requirements as defined in the partnership agreements, the BCHA general partner affiliates become the managing partners. At this point, per the GASBs, the partnership entities become discrete component units of the BCHA primary government because they are legally separate; and though they meet blending criteria, GASB 80 requires that they be reported discretely. We also continue to report as discrete partnerships, LIHTC in which the investor limited partners are taken over by our affiliates, since there is a likelihood of their re-syndication in the future.

FINANCIAL ANALYSIS (Continued)

Discrete Partnerships (Continued)

Discrete Partnerships Statements of Combined Net Position

December 31, 2023, 2022, and 2021

				%	%
	2023	2022	2021	2023/ 2022	2022/ 2021
Current assets	\$ 8,648,499	\$ 7,827,147	\$ 8,871,221	10%	-12%
Restricted assets	6,011,223	6,313,931	6,050,355	-5%	4%
Capital assets, net of depreciation	82,567,344	83,142,923	86,593,425	-1%	-4%
Total Assets	<u>97,227,066</u>	<u>97,284,001</u>	<u>101,515,001</u>	<u>0%</u>	<u>-4%</u>
Current liabilities	5,348,400	2,290,800	2,094,395	133%	9%
Non-current liabilities payable					
from restricted assets	12,629	12,421	12,219	2%	2%
Long-term liabilities	28,957,188	32,484,441	33,422,771	-11%	-3%
Total Liabilities	<u>34,318,217</u>	<u>34,787,662</u>	<u>35,529,385</u>	<u>-1%</u>	<u>-2%</u>
Net investment in capital assets	52,288,477	51,851,501	54,195,221	1%	-4%
Restricted	4,756,169	4,990,079	4,613,756	-5%	8%
Unrestricted	3,291,201	5,654,759	7,176,639	-42%	-21%
Total Net Position	<u>\$ 60,335,847</u>	<u>\$ 62,496,339</u>	<u>\$ 65,985,616</u>	<u>-3%</u>	<u>-5%</u>

Note: Since the partnerships have different fiscal year-ends than the primary government, as per GASB, the latest audit reports that end during the current audit year are used for the discrete component units.

Assets

Total assets of the partnership affiliates at December 31, 2023, 2022 and 2021 were \$97.2 million, \$97.3 million and \$101.5 million, respectively. Capital assets net of depreciation were \$82.6 million, \$83.1 million and \$86.6 million, respectively; current assets totaled \$8.6 million, \$7.8 million and \$8.8 million, respectively. Other current assets of \$6.0 million, \$6.3 million and \$6.1 million, respectively accounted for the majority of the current assets of prepaid land leases and prepaid expenses. Restricted cash at December 31, 2023, 2022 and 2021 was \$5.7 million, \$5.9 million and \$5.6 million, respectively.

Broward County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2024 and 2023

FINANCIAL HIGHLIGHTS (Continued)

Discrete Partnerships (Continued)

Liabilities

Total liabilities at December 31, 2023, 2022 and 2021 were \$34.3 million, \$34.8 million and \$35.5 million, respectively, with current liabilities of \$5.3 million, \$2.3 million, and \$2.1 million, respectively and long-term liabilities of \$28.9 million, \$32.5 million and \$33.4 million, respectively, of which \$25.4 million, \$26.7 million and \$27.5 million were mortgages, respectively.

Net Position

At December 31, 2023, 2022, and 2021, the Discrete Component Units' net position was \$60.3 million, \$62.5 million, and \$66.0 million, of which unrestricted net position was \$3.3 million, \$5.7 million, and \$7.2 million, respectively.

**Statements of Combined Revenues, Expenses, and changes in Net Position for Years Ended
December 31, 2023, 2022 and 2021**

				%	%
	2023	2022	2021	2023/ 2022	2022/ 2021
REVENUES					
Rental income	\$10,704,847	\$10,238,081	\$10,120,873	5%	1%
EXPENSES					
General and administrative	3,560,111	2,921,199	2,785,251	22%	5%
Repairs and maintenance	1,907,665	1,783,922	1,503,632	7%	19%
Insurance	1,112,595	1,075,208	1,011,209	3%	6%
Interest expense	1,208,917	1,276,225	1,262,371	-5%	1%
Other expense	592,384	1,109,317	845,146	-47%	31%
Depreciation/Amortization	3,654,739	3,712,299	3,770,667	-2%	-2%
Total Expenses	<u>12,036,411</u>	<u>11,878,170</u>	<u>11,178,276</u>	<u>1%</u>	<u>6%</u>
CAPITAL CONTRIBUTIONS					
Capital contribution	(828,928)	(1,789,041)	(1,225,462)	-54%	46%
CHANGE IN NET POSITION	<u>(2,160,492)</u>	<u>(3,429,130)</u>	<u>(2,282,865)</u>	<u>-37%</u>	<u>50%</u>
NET POSITION, Beginning	62,496,339	65,985,616	68,339,770	-5%	-3%
Add (deduct) net effect of GASB 65 (note 1)	-	(60,147)	(71,289)	-100%	-16%
NET POSITION, Ending	<u>\$ 60,335,847</u>	<u>\$ 62,496,339</u>	<u>\$ 65,985,616</u>	<u>-3%</u>	<u>-5%</u>

FINANCIAL HIGHLIGHTS (Continued)

Discrete Partnerships (Continued)

Revenues

Operating revenues for the years ended December 31, 2023, 2022, and 2021 were \$10.7 million, \$10.2 million, and \$10.1 million, respectively. Dwelling rentals at Tallman Pines I and II, Highland Gardens, and Crystal Lakes reached stabilization in 2010 as occupancy increased; Progresso stabilized in 2013; East Village stabilized in 2017, and Oakland Preserve stabilized in 2018.

Expenses

Operating expenses for the years ended December 31, 2023, 2022, and 2021 were \$10.2 million, \$9.5 million, and \$9.1 million, respectively.

CAPITAL ASSETS

Primary Government Including Blended Affiliates

As of September 30, 2024, 2023, and 2022, the Authority had \$24.2 million, \$24.1 million, and \$25.5 million, respectively, invested in a broad range of capital assets, net of depreciation, including land, buildings, furniture, equipment, and building improvements.

During the year 2024, the net value of capital assets decreased by \$98 thousand, made up of the following:

- addition of \$1.4 million in building improvements, furniture and equipment, and construction in progress,
- less current depreciation of \$1.3 million.

During the year 2023, the net value of capital assets decreased by \$1.1 million, made up of the following:

- addition of \$313 thousand in building improvements, furniture and equipment and construction in progress,
- less current depreciation of \$1.5 million

CAPITAL ASSETS (Continued)

				%	%
	2024	2023	2022	2024/ 2023	2023/ 2022
Land	\$ 10,497,123	\$ 10,497,123	\$ 10,497,123	0%	0%
Buildings and Construction in Progress	65,211	36,692,220	36,653,645	-100%	0%
Furniture and Equipment	3,914,297	4,355,874	4,511,125	-10%	-3%
Intangible assets	324,404	324,404	324,404	0%	0%
Building Improvements	47,875,099	9,455,829	9,215,186	406%	3%
Total Capital Assets	62,676,134	61,325,450	61,201,483	2%	0%
Accumulated Depreciation	(38,435,403)	(37,183,445)	(35,742,941)	3%	4%
Total Net Capital Assets	\$ 24,240,731	\$ 24,142,005	\$ 25,458,542	0%	-5%

Additional information relative to capital assets can be found in Note 5 to the financial statements.

Discrete Partnerships

At December 31, 2022, 2021, and 2020, the Component Units had \$82.5 million, \$83.1 million, and \$86.6 million, respectively, invested in a broad range of capital assets, net of depreciation, including land, buildings, furniture, equipment, and building improvements, respectively.

				%	%
	2023	2022	2021	2023 2022	2022 2021
Land	\$ 2,280,000	\$ 2,280,000	\$ 2,280,000	0%	0%
Buildings	112,390,072	112,227,347	112,227,347	0%	0%
Furniture and Equipment	9,012,718	9,175,443	9,160,955	-2%	0%
Land Improvements	9,760,227	9,760,227	9,760,227	0%	0%
Total Capital Assets	133,443,017	133,443,017	133,428,529	0%	0%
Accumulated Depreciation	(50,670,445)	(50,300,094)	(46,835,104)	-1%	-7%
Total Net Capital Assets	\$ 82,772,572	\$ 83,142,923	\$ 86,593,425	0%	-4%

Additional information relative to capital assets can be found in Note 5 to the financial statements.

LONG-TERM LIABILITIES

Primary Government Including Blended Affiliates

Long-term liabilities activity as of September 30, 2024, 2023, and 2022 was as follows:

LONG-TERM LIABILITIES (Continued)

				%	%
	2024	2023	2022	2024/ 2023	2023/ 2022
Family Self-Sufficiency Escrow	\$ 468,632	\$ 504,273	\$ 485,070	-7%	4%
Leases	366,056	145,944	225,923	151%	-35%
Pension Obligation	7,817,555	8,643,964	7,154,512	-10%	21%
Compensated Absences	781,789	833,410	793,641	-6%	5%
Total Long-Term Liabilities	\$ 9,434,032	\$ 10,127,591	\$ 8,659,146	-7%	17%

Additional information relative to long-term liabilities can be found in Note 6 to the financial statements.

Long-term liabilities as of December 31, 2023, 2022 and 2021, were as follows:

				%	%
	2023	2022	2021	2023/ 2022	2022/ 2021
Fee Payable to Affiliate Partners	\$ 12,629	\$ 12,421	\$ 12,219	2%	2%
Asset Management Fee	29,551	14,557	14,133	103%	3%
Exchange Income Advanced	2,280,448	2,093,781	1,907,114	9%	10%
Tax Credit Exchange Program L	2,164,683	3,715,890	4,014,557	-42%	-7%
Mortgages	24,482,506	26,660,213	27,486,967	-8%	-3%
Total Long-Term Liabilities	\$ 28,969,817	\$ 32,496,862	\$ 33,434,990	-11%	-3%

Additional information relative to long-term liabilities can be found in Note 6 to the financial statements.

ECONOMIC FACTORS

The Authority is primarily dependent upon the U.S. Department of Housing and Urban Development for funding its operations; therefore, the Authority is more affected by the federal budget than local economic conditions. The Authority, like many other housing authorities, will be required to utilize some of its operating reserves for the upcoming budget year due to federal funding shortfalls.

The Capital Fund Grant Programs had multiple-year budgets, and funding was relatively unpredictable and underfunded; by converting the Public Housing to Multifamily under the RAD program, these grants were used for the modernization of public housing properties and to establish more predictable budgets.

CONTACTING THE HOUSING AUTHORITY

The Authority's financial report is designed to provide the public with a general overview of the Housing Authority's finances. If you have any questions about this report or wish to request additional financial information, please contact Mr. Paul C. Raikes, Chief Financial Officer, at (954) 739-1114, extension 1031.

FINANCIAL STATEMENTS

BROWARD COUNTY HOUSING AUTHORITY
STATEMENT OF NET POSITION
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNITS
AS OF SEPTEMBER 30, 2024 AND 2023

	Primary Government Total 2024	Discretely Presented Component Units 2023	Primary Government Total 2023	Discretely Presented Component Units 2022
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 16,637,491	\$ 2,795,501	\$ 11,614,372	\$ 1,984,866
Restricted cash equivalents	-	-	284,964	-
Receivables:				
Accounts receivables	2,619,286	-	644,983	-
Intergovernmental	569,037	-	2,048,991	-
Tenants, net of allowance	361,071	94,112	144,440	44,858
Prepaid expenses	394,656	5,881,767	377,299	5,770,120
Other assets	-	14,918	-	27,303
Total current assets	<u>20,581,541</u>	<u>8,786,298</u>	<u>15,115,049</u>	<u>7,827,147</u>
Noncurrent assets:				
Restricted cash equivalents	2,813,550	5,703,394	5,042,314	5,917,102
Investments	27,994,901	-	26,468,716	-
Tax credit monitoring fee, net	-	307,829	-	396,829
Capital assets:				
Land	10,497,123	5,474,482	10,497,123	2,280,000
Intangible Assets	324,404	-	324,404	-
Buildings, CIP and equipment	51,854,607	128,452,216	50,503,923	131,163,017
Accumulated depreciation	(38,435,403)	(54,070,155)	(37,183,445)	(50,300,094)
Capital assets, net	<u>24,240,731</u>	<u>79,856,543</u>	<u>24,142,005</u>	<u>83,142,923</u>
Total assets	<u>75,630,723</u>	<u>94,654,064</u>	<u>70,768,084</u>	<u>97,284,001</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension costs	5,222,398	-	4,602,887	-
Total deferred outflows of resources	<u>5,222,398</u>	<u>-</u>	<u>4,602,887</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,112,263	3,373,995	1,155,441	339,725
Accrued wages payable	198,209	-	148,771	-
Tenants' security deposits	287,924	934,596	285,485	914,602
Unearned revenue	466,455	-	284,822	-
Current portion of lease obligation	112,850	-	60,945	-
Accrued interest payable	-	118,932	-	121,154
Accrued compensated absences	30,000	-	30,000	-
Mortgages	-	920,877	-	915,319
HUD liability	20,145	-	182,959	-
Total current liabilities	<u>4,227,846</u>	<u>5,348,400</u>	<u>2,148,423</u>	<u>2,290,800</u>
Noncurrent liabilities:				
Liabilities from restricted assets				
Fee payable to affiliate	-	12,629	-	12,421
Family Self-sufficiency Program escrow	468,632	-	504,273	-
Total liabilities payable from restricted assets	<u>468,632</u>	<u>12,629</u>	<u>504,273</u>	<u>12,421</u>
Mortgages	-	24,482,506	-	26,660,213
Lease obligation	366,056	-	84,999	-
Asset management fee	-	29,551	-	14,557
Exchange income received in advance	-	2,280,448	-	2,093,781
Tax credit exchange program loan	-	2,164,683	-	3,715,890
Net pension liability	7,817,555	-	8,643,964	-
Accrued compensated absences	781,789	-	833,410	-
Total noncurrent liabilities	<u>9,434,032</u>	<u>28,969,817</u>	<u>10,066,646</u>	<u>32,496,862</u>
Total liabilities	<u>13,661,877</u>	<u>34,318,217</u>	<u>12,215,069</u>	<u>34,787,662</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension costs	3,811,479	-	2,374,244	-
Total deferred inflows of resources	<u>3,811,479</u>	<u>-</u>	<u>2,374,244</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	24,240,731	52,288,477	23,996,061	51,851,501
Restricted- replacement reserves	46,058	4,756,169	3,945,621	4,990,079
Restricted-Housing Assistance Payments	(468,608)	-	591,923	-
Unrestricted	39,561,584	3,291,201	32,248,053	5,654,759
Total Net Position	<u>\$ 63,379,765</u>	<u>\$ 60,335,847</u>	<u>\$ 60,781,658</u>	<u>\$ 62,496,339</u>

See accompanying notes to the financial statements.

BROWARD COUNTY HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	Primary Government Total 2024	Discretely Presented Component Units 2023	Primary Government Total 2023	Discretely Presented Component Units 2022
OPERATING REVENUES				
Housing assistance payments	\$ 117,941,985	\$ -	\$ 106,548,303	\$ -
Housing choice voucher program administrative fees	7,504,638	-	7,770,108	-
Dwelling rental	3,735,014	10,704,847	3,381,042	10,238,081
Operating subsidy	1,909,095	-	1,836,418	-
Other revenue (port-in)	17,309,650	-	14,211,754	-
Total operating revenues	<u>148,400,382</u>	<u>10,704,847</u>	<u>133,747,625</u>	<u>10,238,081</u>
OPERATING EXPENSES				
Housing assistance payments	121,247,128	-	107,209,133	-
General and administrative	15,678,906	2,394,633	12,142,698	2,274,850
Repairs and maintenance	2,940,941	1,907,665	2,835,229	1,783,922
Tenants' services	87,763	-	92,209	-
Utilities	406,591	1,112,595	376,071	1,075,208
Insurance	769,164	1,165,478	602,149	646,349
Depreciation	1,438,617	3,654,739	1,461,314	3,712,299
Other expense (port-out)	8,339,027	-	13,609,157	-
Total operating expenses	<u>150,908,137</u>	<u>10,235,110</u>	<u>138,327,960</u>	<u>9,492,628</u>
OPERATING (LOSS)	<u>(2,507,755)</u>	<u>469,737</u>	<u>(4,580,335)</u>	<u>745,453</u>
NON-OPERATING REVENUES (EXPENSES)				
Grants	2,979,416	-	118,898	-
Interest income/(expense)	1,838,835	(1,208,917)	1,094,400	-
Interest (expense/unrealized loss) on investment	-	-	(268,224)	(1,276,225)
Affordable housing investment revenue	-	-	2,822,795	-
Other revenue	192,721	(592,384)	191,840	(1,109,317)
Gain/(loss) on disposal of capital assets	94,891	-	(192,157)	-
Total nonoperating revenues, net	<u>5,105,863</u>	<u>(1,801,301)</u>	<u>3,767,552</u>	<u>(2,385,542)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION	<u>2,598,108</u>	<u>(1,331,564)</u>	<u>(812,783)</u>	<u>(1,640,089)</u>
CAPITAL CONTRIBUTIONS				
Capital grants	-	(828,928)	-	(1,789,041)
Total capital contributions	<u>-</u>	<u>(828,928)</u>	<u>-</u>	<u>(1,789,041)</u>
CHANGE IN NET POSITION	<u>2,598,108</u>	<u>(2,160,492)</u>	<u>(812,783)</u>	<u>(3,429,130)</u>
NET POSITION, Beginning	60,820,133	62,496,339	61,396,461	65,985,616
Add (deduct) prior period adjustments	(38,476)	-	197,980	-
Net effect of GASB 65 (Note 1)	-	-	-	(60,147)
NET POSITION, as restated	<u>60,781,657</u>	<u>62,496,339</u>	<u>61,594,441</u>	<u>65,925,469</u>
NET POSITION, Ending	<u>\$ 63,379,765</u>	<u>\$ 60,335,847</u>	<u>\$ 60,781,658</u>	<u>\$ 62,496,339</u>

See accompanying Notes to Financial Statements

BROWARD COUNTY HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PRIMARY GOVERNMENT AND DISCRETEOY PRESENTED COMPONENT UNITS
For the Fiscal Year ended September 30, 2024 and 2023

	Primary Government Total 2024	Primary Government Total 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from federal and local agencies	\$ 144,236,227	\$ 129,949,040
Housing assistance payments	(129,784,610)	(120,133,678)
Cash paid to suppliers and contractors	(10,150,125)	(7,606,773)
Payments to employees	(8,201,640)	(10,283,091)
Other payments-dwelling rental, receipts, Affordable Housing cash flow	3,549,484	5,564,583
Net cash from/ (used in) operating activities	(350,664)	(2,509,919)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Other revenues and receipts	192,721	42,578
Net cash provided by non-capital financing	3,172,137	161,476
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(777,253)	(888,072)
Proceeds from sale of capital assets	268,925	-
Other capital asset related activity	196,249	-
Capital grants	-	-
Net cash from/ (used in) capital and related financing	(312,079)	(888,072)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit in reserve for replacements	-	637,186
Affordable housing investment income	-	2,822,795
Purchase of investments	(16,562,131)	7,865,693
Sale of investments	16,249,481	-
Interest income on investment	1,838,835	1,094,400
Interest (expense/unrealized loss) on investments	-	(268,224)
Net cash provided by (used in) investing activities	1,526,185	12,151,850
Net increase increase in cash and cash equivalents	4,035,579	8,915,335
Cash and cash equivalents beginning of year	43,410,366	34,495,031
Cash and cash equivalents end of year	\$ 47,445,945	\$ 43,410,366
Reconciliation of operating loss to net cash used in operating activities:		
Operating profit/(loss)	\$ (2,507,753)	\$ (4,580,335)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,438,617	1,461,314
(Increase) decrease in:		
Receivables	(710,980)	3,460,067
Prepaid expenses	(17,356)	39,859
Other assets		
Increase (decrease) in:		
Accounts payable	1,593,386	(3,055,867)
Accrued expenses	49,438	6,345
HUD liability	(162,814)	134,097
Family Self-Sufficiency escrow	(35,641)	16,203
Tenants deposits	2,439	8,398
	\$ (350,664)	\$ (2,509,919)

See accompanying Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting entity

The Broward County Housing Authority (the “Authority”) was formed in June 1969 under Chapter 421 of the Florida Statutes, as a dependent housing authority of Broward County, Florida. On December 17, 1990, the Authority became an independent special district.

The Authority was established to identify the social, economic, and educational needs of low-income housing individuals. The Authority initiates economic expansion through community development and promotes special programs and events in the fields of development and multi-ethnic cooperation. Geographic boundaries of the Authority correspond with those of Broward County, Florida. All the activities of the Authority are aimed towards the same purpose; for that reason, the Authority considers all funds to be one fund. The Authority is governed by the Board of Commissioners (the “Board”), which is composed of five members. The commissioners are appointed by the Governor of Florida for four-year terms. The Board of the Authority exercises all powers granted to the Authority pursuant to Chapter 421, Florida Statutes.

The Board has the final responsibility for:

1. Approving budgets
2. Exercising control over facilities and properties
3. Controlling the use of funds generated by the Authority
4. Approving the hiring and firing of key personnel
5. Financing improvements
6. Establish policy

The Authority receives no direct financial support from Broward County, Florida (the “County”). Neither the State of Florida nor the County can impose its will over the Authority; and the Authority does not provide a financial benefit to or impose a financial burden on either the State of Florida or the County. For these reasons, the Authority is not reported as a component unit of either the State of Florida or the County.

a. Reporting entity (Continued)

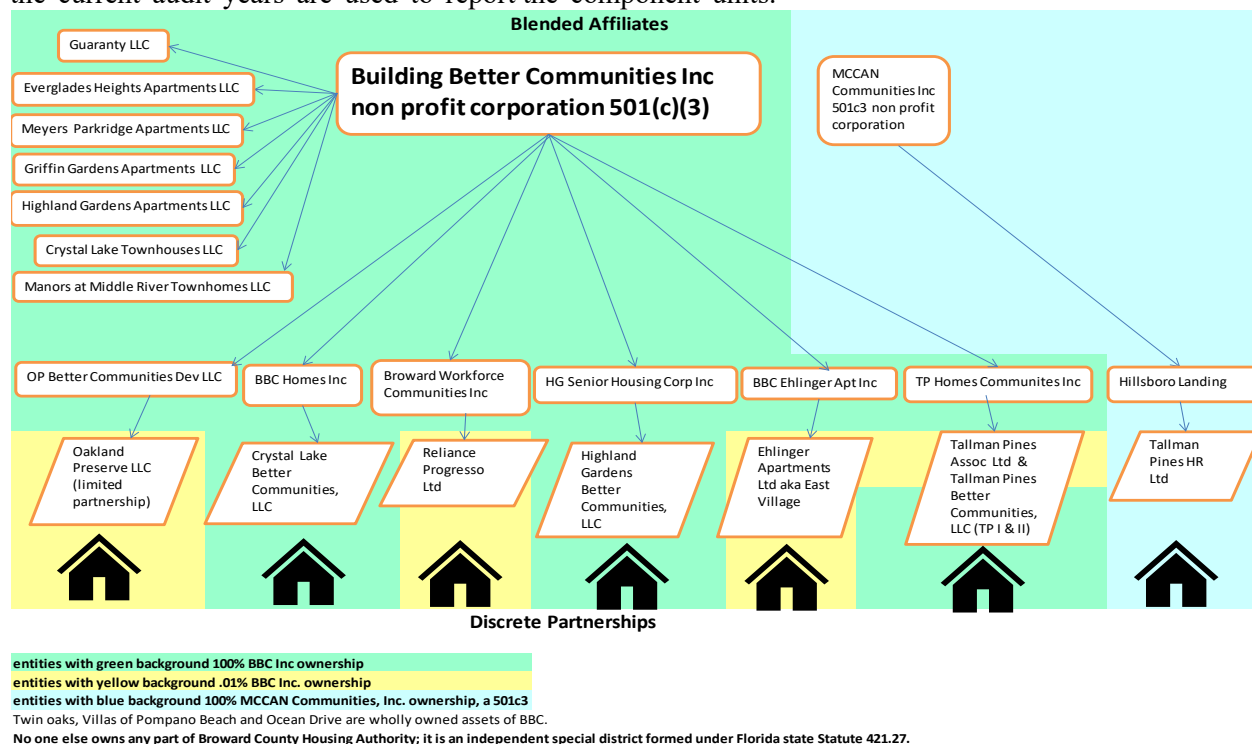
The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 14, “The Financial Reporting Entity” (as amended by GASB Statements No. 39, 61, and 80) in that the financial statements include all organizations, activities, functions and component units for which the Authority (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization’s governing body and either (1) the Authority’s ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the Authority.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For entities that do not meet these criteria, in cases where the BCHA's general partner ownership interest does not constitute a majority general partnership interest, and they do not meet the requirements of blending, the Authority's accounting policy is to use the equity method of accounting.

Based upon the application of the criteria in GASB Statement No. 14, as amended, the financial statements of the component units listed below have been included in the Authority's reporting entity as discrete component units. The Authority is required to include its investment in limited partnerships that qualify as discrete component units. Component units are related but legally separate entities that are evaluated for possible inclusion within the Authority's reporting entity depending on financial accountability and the nature and significance of the relationship. Blended component units, although legally separate entities, are, in substance, part of the Authority's operations. Accordingly, data from these component units is included with data of the Authority's reporting entity.

The Authority follows GASB Statements 14, as amended, for its partnerships and for new tax credit properties. As tax credit properties are developed and these projects meet the stabilization requirements as defined in the partnership agreements, the general partner affiliates become the managing partners. At this point, per the GASBs, the partnership entities become discrete component units of the BCHA primary government because the discrete partnerships are legally separate and do not meet any of the blending criteria. Note that since the partnerships have different fiscal year ends than the primary government, per GASB, the latest audit reports dated December 31 that ended during the current audit years are used to report the component units.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting entity (Continued)

Blended Component Units

Building Better Communities, Inc. (“BBC, Inc.”) - The BBC, Inc. was established as a nonprofit organization in March 2001 for charitable, educational, and scientific purposes to aid disadvantaged families and individuals toward a life of self-sufficiency. The board of directors of BBC, Inc. approves the annual budget of BBC, Inc. The governing body of BBC, Inc. consists of the same members as that of the Authority and, therefore, BBC, Inc. is a blended component unit affiliate of BCHA.

BBC Homes, Inc. was established as a Subchapter S Corporation subsidiary in December 2005 to increase the housing, economic, educational, and community quality of life of the residents of Broward County, Florida, including members of the community with income below federal poverty guidelines and expand the opportunities available to those residents to develop financial and credit skills necessary for successful home ownership. BBC Homes, Inc. is a wholly-owned subsidiary of BBC, Inc. and is a blended component unit affiliate of BCHA.

HG Senior Housing, Inc. (“HG”) - HG was established in January 2006 as a Subchapter S Corporation subsidiary to raise the housing, economic, educational, and community quality of life of senior citizen residents of Broward County, Florida, including members of the community with income below federal poverty guidelines. The General Partner, HG, is a wholly-owned subsidiary of BBC, Inc. and is a blended component unit affiliate of BCHA.

OP-Better Communities Development, LLC was established in 2011 as a disregarded entity to acquire, construct, rehabilitate, and develop housing in Broward County for persons of low-income. OP-Better Communities, Inc. is a wholly-owned subsidiary of BBC, Inc. and is a blended component unit affiliate of BCHA.

Hillsboro Landing, LLC was established in 2022 as a disregarded entity to acquire, construct, rehabilitate, and develop housing in Broward County for persons of low-income; it is a wholly-owned subsidiary of MCCAN Inc., serves as the GP of Tallman Pines HR, Ltd, and is a blended component unit affiliate of BCHA.

Highland Gardens Apartments, LLC was established in 2013 as a disregarded entity to operate the RAD project at the site under the HUD multi-family program providing housing in Broward County for persons of low-income. Highland Gardens is a wholly-owned subsidiary of BBC, Inc. and is a blended component unit affiliate of BCHA.

Griffin Gardens Apartments, LLC was established in 2013 as a disregarded entity to operate the RAD project at the site under the HUD multi-family program providing housing in Broward County for persons of low-income. Griffin Gardens is a wholly-owned subsidiary of BBC, Inc. and is a blended component unit affiliate of BCHA.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting entity (Continued)

Blended Component Units (Continued)

Everglades Heights Apartments, LLC was established in 2014 as a disregarded entity to operate the RAD project at the site under the HUD multi-family program providing housing in Broward County for persons of low-income. Everglades Heights is a wholly-owned subsidiary of BBC, Inc. and is a blended component unit affiliate of BCHA.

Meyers Parkridge Apartments, LLC was established in 2014 as a disregarded entity to operate the RAD project at the site under the HUD multi-family program providing housing in Broward County for persons of low-income. Meyers Parkridge is a wholly-owned subsidiary of BBC, Inc. and is a blended component unit affiliate of BCHA.

Crystal Lake Townhouses, LLC was established in 2011 as a disregarded entity to expand low-cost housing opportunities in Broward County by constructing, acquiring, and rehabilitating housing for persons of low-income. Crystal Lake Townhouses, LLC is a wholly-owned subsidiary of BBC, Inc. and is a blended component unit affiliate of BCHA.

Manors at Middle River Townhomes, LLC was established in 2016 as a disregarded entity to expand workforce housing opportunities in Broward County by constructing, acquiring, and rehabilitating housing for persons of low-income. Manors at Middle River Townhomes, LLC is a wholly-owned subsidiary of BBC, Inc. and is a blended component unit affiliate of BCHA.

Guaranty LLC (“Guaranty”) was established in 2012 as a disregarded entity to engage in any or all lawful business for which corporations may be organized under the Florida Business Corporation Act. The Guaranty will be used as a guarantor for future developments using the appraised value of College Gardens as the secured asset; this appraised value as of August 2022 was \$10.746 million. Guaranty became a key principal on a \$1.5 million term note for Reliance Progresso in September 2012. Guaranty became a guarantor for Ehlinger Apartments LTD for \$1.0 million as required by Wells Fargo for the transfer of the managing general partner interest to BBC Ehlinger Apartments Inc.. Guaranty is also a key principal on an approximately \$1.6 million loan for Oakland Preserve LLC since 2018. Guaranty LLC is a wholly-owned subsidiary of BBC, Inc. and is a blended component unit affiliate of BCHA.

Broward Workforce Communities, Inc. (“BWC”) - BWC was established in November 2007 as a Subchapter S Corporation subsidiary to raise the housing, economic, educational, and community quality of life of the residents of Broward County, Florida, including members of the community with income below federal poverty guidelines and expand the opportunities available to those residents to develop affordable housing opportunities designed, constructed, and equipped to improve and harmonize with the neighborhoods they occupy. The General Partner, BWC, is a wholly-owned subsidiary of BBC, Inc. and is a blended component unit affiliate of BCHA; the property under operation is Progresso.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting entity (Continued)

Blended Component Units (Continued)

MCCAN Communities, Inc. (“MCI”) - MCI was established in November 2002 as a nonprofit organization for the purpose of, among other things, raising the housing, economic, educational, and community quality of life of the residents of Broward County, Florida, including members of the community with income below the poverty line. The board of directors of MCI approves the annual budget of MCI. The governing body of MCI consists of the same members as that of the Authority, and, therefore, MCI is a blended component unit of BCHA.

TP Homes and Communities, Inc. (“TP”) - TP was established in July 2006 as a Subchapter S Corporation subsidiary to raise the housing, economic, educational, and community quality of life of the residents of Broward County, Florida, including members of the community with income below federal poverty guidelines and expand the opportunities available to those residents to develop financial and credit skills needed for successful home ownership. The General Partner, TP, is a wholly-owned subsidiary of BBC, Inc. and a blended component unit affiliate of BCHA.

BBC Ehlinger Apartments, Inc. (“BBCEA”) - BBCEA (East Village) the General Partner, was established April 14, 2009 as a Subchapter S Corporation wholly-owned subsidiary of BBC to raise the housing, economic, educational, and community quality of life of residents of Broward County, Florida, including members of the community with income below federal poverty guidelines. The General Partner, BBCEA, is a wholly-owned subsidiary of BBC, Inc. and a blended component unit affiliate of BCHA.

Discrete Component Units

Crystal Lake Better Communities, LLC – the original limited partnership (LP), Crystal Lakes Redevelopment, Ltd. (CLR) was formed as an LP on August 12, 2003, under the laws of the State of Florida for the purpose of acquiring, constructing, developing, and operating a low-income housing project. The Project consists of 190 rental units with community facilities located in the City of Hollywood, Broward County, Florida, and operates under the name Crystal Lakes Apartments (the “Project”). Effective May 19, 2008, PHG-Crystal, LLC executed an assignment of general partnership interest to assign its right as managing general partner to the administrative partner, BBC Homes, Inc., making BBC Homes, Inc. the new managing partner. The special limited partner was MMA Special Limited Partner, Inc., and the investor limited partner was MMA Financial Housing Investments VIII until December 14, 2009, when the limited partnership name was changed to Boston Financial Housing Investments VIII Limited Partnership. As of 1/1/2022, the special and limited partners assigned all of their LP interests to Crystal Lake Better Communities, LLC, a BBC wholly owned discrete component unit of BCHA. Per GASB discussions, while this entity could be classified as a blended Component unit, for consistency, it is being treated as Discrete since there are potential plans for re-syndication in the future.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting entity (Continued)

Discrete Component Units (Continued)

Highland Gardens Better Communities, LLC. The original limited partner, Highland Gardens Development, Ltd., was formed as a limited partnership on January 26, 2006, under the laws of the State of Florida for the purpose of acquiring, constructing, developing, and operating a low-income housing project. The property consists of 100 rental units with community facilities located in the City of Deerfield Beach, Broward County, Florida, and operates under the name Highland Gardens Phase II. The managing general partner is HG Senior Housing Corporation. The investor limited partner was AHG Tax Credit Fund XVIII, LLC. Highland Gardens Development, Ltd. was a discrete component unit of BCHA. As of 12/31/2022, the limited partner assigned all its LP interests to Highland Gardens Better Communities, LLC, a BBC wholly owned discrete component unit of BCHA. Per discussions with GASB, while this entity could be classified as a blended Component unit, for consistency, it is being treated as Discrete since there are potential plans for re-syndication in the future.

Reliance Progresso, Ltd. Reliance Progresso, Ltd. was recognized by the State of Florida as a limited partnership as of November 30, 2005. The partnership's purpose is to invest in real estate and the construction, operation, and sale and/or leasing of the partnership property. The partnership property consists of a 76-unit apartment complex known as Progresso, Ltd., located in Fort Lauderdale, Florida. Reliance Progresso, Ltd. is a discrete component unit of the BCHA.

Tallman Pines Associates, Ltd. (a.k.a. "Tallman Pines I") Tallman Pines Associates, Ltd. was recognized by the State of Florida as a limited partnership as of February 11, 2005. The partnership's purpose is to invest in real estate and the construction, operation, and sale and/or leasing of the partnership property. The partnership property consists of a 176-unit apartment complex known as Tallman Pines, Ltd., located in Deerfield Beach, Florida. The general partner is TCG Tallman Pines, LLC, the administrative general partner is TP Homes and Communities, Inc., the special limited partner is The Richman Group Capital Corporation, and the investment limited partner is U.S.A. Institutional Tax Credit Fund LIV, L.P. Effective January 25, 2011, the general partner, TCG Tallman Pines, LLC, assigned 100% of its right, title and interest in the partnership to the Administrative General Partner, TP Homes and Communities, Inc. Pursuant to the assignment, TP Homes and Communities, Inc.'s ownership percentage increased to 0.01 percent.

Tallman Pines Associates II, Ltd. Tallman Pines Associates II, Ltd was recognized by the State of Florida as a limited partnership as of December 20, 2005. The partnership's purpose is to invest in real estate and the construction, operation, and sale and/or leasing of the partnership property. The partnership property consists of a 24-unit apartment complex known as Tallman Pines II Apartments located in Deerfield Beach, Florida. The managing general partner is TCG Tallman Pines II, LLC, and the administrative general partner is TP Homes and Communities. The special limited partner, The Richman Group Capital Corporation, and the investment limited partner are U.S.A. Institutional Tax Credit Fund LVIII, LP, assigned its interests to Tallman Pines Better Communities, LLC on August 1, 2023. The limited partnerships of Tallman Pines I and II are discrete component units of the BCHA.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Ehlinger Apartments, Ltd. was formed as a limited partnership under the laws of the state of Florida on December 10, 2008, for the purpose of acquiring, constructing, and operating a 155-unit residential housing project located in Davie, Florida called East Village Apartments (the Project). The special limited partner is The Richman Group Capital Corporation, TRGSLP, Inc., and the investment limited partner is U.S.A. Institutional Tax Credit Fund LXXI, LP. The General Partner, BBCEA, is a wholly-owned subsidiary of BBC, Inc.; the property under operation is East Village.

Oakland Preserve LLC. Oakland Preserve LLC was recognized by the State of Florida as a limited liability company as of September 9, 2013. While an LLC, it operates as a limited partnership whose purpose is to invest in real estate and the construction, operation, and sale and/or leasing of the LLC's property. The property consists of an 80-unit apartment complex known as Oakland Preserve in Oakland Park, Florida. The original Authorized Member was PHG-Oakland, LLC; OP-Better Communities, LLC became the Authorized Member upon the withdrawal of PHG-Oakland, LLC after stabilization. The Investor Member was Wells Fargo Affordable Housing Community Development Corporation until December 31, 2022, when it converted into a limited liability company known as WF Affordable Housing LLC. This conversion did not change the underlying ownership of the Investor Limited Partner, which will continue to be owned by Wells Fargo Bank, N.A..

Tallman Pines HR, Ltd. was formed as a limited partnership under the laws of the state of Florida on September 15, 2020, for the purpose of acquiring, constructing, and operating a 75-unit senior midrise residential housing project located in Deerfield Beach, Florida, called Hillsboro Landing (the Project). The special limited partner is HTG Tallman HR, LLC, and the investment limited partner is RJTCF 51-Tallman Pines HR L.L.C. The General Partner, Hillsboro Landing, LLC, is a wholly-owned subsidiary of MCCAN, Inc..

Tallman Pines Better Communities, LLC - was formed as a substitute limited partner under the laws of the state of Florida on November 15, 2022, to serve as the substitute investor limited partner at Tallman Pines II Associates LTD for a 24-unit residential housing project located in Deerfield Beach, Florida. The General Partner, TP Homes and Communities, Inc., is a wholly-owned subsidiary of Building Better Communities, Inc., a blended component unit of the Authority. Per GASB discussions, while this entity could be classified as a blended Component unit, for consistency, it is being treated as Discrete since there are potential plans for re-syndication in the future.

The component units also issue separate financial statements, which are available by contacting Mr. Paul C. Raikes, Chief Financial Officer, at (954) 739-1114, extension 1031.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of presentation

The Broward County Housing Authority follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, GASB Statement No. 37 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board ("FASB") and American Institute of Certified Public Accountants ("AICPA") Pronouncements*, and other applicable pronouncements and standards.

c. Economic resources measurement focus, basis of accounting

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America. The Authority maintains its accounts in accordance with the chart of accounts prescribed by the U.S. Department of Housing and Urban Development ("HUD"). For financial reporting purposes, the Authority reports all of its operations in a single enterprise fund.

The accompanying government-wide and enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and measurable and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. The Authority distinguishes operating revenues and expenses from non-operating items in its statements of revenues, expenses, and changes in net position. In general, operating revenues result from charges to tenants for the lease and use of dwelling units.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

d. Summary of HUD programs

The accompanying financial statements include the activities of several Housing Programs subsidized by HUD at the Authority. A summary of each significant HUD program is provided below.

e. Unearned revenue

Revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for unearned revenue. The Authority had \$466,455 in unearned revenue in 2024 related to expenditure driven housing assistance grants.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Summary of HUD programs (Continued)

Rental Assistance Demonstration (“RAD”) Multi-Family

The RAD program converts existing public housing properties to multi-family rental housing units owned by affiliates of the Authority to provide decent and affordable housing to low-income families. Funding of the program is provided by federal housing assistance contributions from HUD for the difference between the approved contract rent and the rent paid by the tenants. These are Project Based Rental Assistance programs which have a 20-year Annual Contribution Contract (ACC) with HUD.

Housing Assistance Programs (“HAP”)

The housing assistance payments programs utilize existing privately- owned family rental housing units to provide decent and affordable housing to low-income families. Funding of the program is provided by federal housing assistance contributions from HUD for the difference between the approved landlord contract rent and the rent paid by the tenants.

g. Deposits and investments

For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash in banks, money market funds and all highly liquid investments with an original maturity date of three months or less when purchased. The Authority follows the provision of GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes accounting and financial reporting standards for all investments including fair value standards. As the statement permits, nonparticipating investments are reported at amortized cost which approximates market. All other investments are carried at fair value, or market value. The Authority uses the Specific Identification Method for valuing investments at fair value and for tracking changes in the fair value of the specific investments.

h. Accounts receivable

Receivables consist of revenues earned during the fiscal year and not yet received. The Authority provides an allowance for doubtful accounts, for accounts deemed not collectible, based on prior experience and account composition. Amounts due to the Authority by other governments or agencies are for grants or programs under which the services have been provided to the community by the Authority.

i. Inventories

The Authority uses the purchase method for inventory which has led to insignificant on hand inventory balances.

j. Intangible assets

As of September 30, 2024, and 2023, intangible assets consist of capitalized software costs of \$324,404, which are fully depreciated.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Capital assets

The Authority capitalizes capital assets with a cost of more than \$5,000 and a useful life of more than one year. Land, buildings and equipment are recorded at cost or estimated historical cost if actual historical cost is not available. Land, buildings, and equipment contributed by third parties are recorded at acquisition value at the date of contribution or the date of the exchange.

Depreciable assets are depreciated on the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Furniture and equipment	5-7
Building improvements	15
Buildings	40

Upon disposition of a depreciable asset, the related costs and accumulated depreciation are removed from the accounts and gains and losses on dispositions are reflected in operations.

l. Impairment of long-lived assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicated that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset is not considered recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. An impairment loss, if any, is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. Management has determined that long-lived assets were not impaired at September 30, 2024.

m. Compensated absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provision of GASB Statement No. 16, *Accounting for Compensated Absences*, vacation and sick pay are recognized as an expense when earned by employees and reported as a liability until paid.

n. Deferred outflows/inflows of resources

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

Deferred outflows of resources "represent a consumption of net assets that applies to future periods" and that deferred inflows of resources "represent an acquisition of net assets that applies to future periods," rather than "represent a consumption of net position that applies to future periods" and

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Deferred outflows/inflows of resources (continued)

"represent an acquisition of net position that applies to future periods," respectively. The Authority has deferred outflows related to pensions which qualify for reporting as deferred outflows of resources in the government-wide financial statements. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net position liability in future reporting years. Details on the composition of deferred outflows related to pensions are reported in a subsequent note. In addition to liabilities, the statement of net position has a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The Authority has deferred inflow related to pensions in the government-wide statement of net position. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years.

o. Net position

In accordance with GASB Statement No. 65, as amended, total equity is classified into three components of net position:

1. *Net investment in capital assets*

This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.

2. *Restricted net position*

This category of components of net position restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The restricted net position of the Authority reports consists almost entirely of replacement reserves.

3. *Unrestricted net position*

This category of equity includes all remaining components of net position that do not meet the definition of the other two components. The Board has designated a significant portion of unrestricted net position for special allowable housing related projects.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Eliminations of inter-program activity

For financial reporting purposes, certain amounts are internal and are therefore eliminated in the accompanying financial statements.

1. *Inter-program due to/from*

In the normal course of operations, certain programs may pay for common costs or advance funds for operations that create inter-program receivables or payables. As of September 30, 2024, inter-program receivables and payables of \$500,000 within blended component units net to zero and are eliminated for the presentation of the Authority as a whole.

2. *Fee for service*

The Authority's Central Office Cost Center (COCC) internally charges fees to certain programs of the Authority for services rendered. These charges include management fees, bookkeeping fees, and other fees. For financial reporting purposes, \$1,808,873 and \$5,151,804 of fees for service charges have been eliminated for the years ended September 30, 2024 and 2023, respectively.

q. Restricted assets

The use of the assets of the Family Self-Sufficiency Program ("FSS") is restricted to participants, upon acquiring certain goals, for example, the down payment of a house, and other authorized program expenses. The FSS program funds include interest earned and invested in money market funds. The use of HAP funds is restricted to the program. Separately, as of December 31, 2023, and 2022, the discrete component units have \$4.8 million and \$5.0 million, respectively, in escrow deposits and restricted balances.

r. Payroll allocation

Payroll costs associated with compensation to employees of the Authority have been allocated among the various projects run by the Authority. The basis of the allocation is included in the annual budget and is derived from program assignments and units under management.

s. Grant revenue and operating activity

For financial reporting purposes, operating activity generally arises from providing services in connection with a proprietary fund's principal activity. Operating activity of the Authority consists primarily of rental charges to tenants and operating grants from the Housing and Urban Development (HUD) (Low Income Subsidy and Housing Assistance Payments) because these funds more closely represent revenues generated from operating activities than non-operating activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Authority classified operational grants received from various funding agencies relating primarily to the Shelter Care Program, Housing Counseling, and Home Program as operating revenue as well. Operating expenses for the Authority include the cost of tenant services, utilities, protective services, general, administrative, maintenance, depreciation, and housing assistance payments. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses, except for capital contributions, which are presented separately.

t. HAP Port-in accounting

In fiscal years 2024 and 2023, the Authority is reporting the revenue and expense associated with the Housing Choice Voucher (Section 8) families who move from another jurisdiction to Broward County. Revenues associated with that program were \$8,339,027 for 2024 and \$13,609,157 for 2023. In accordance with HUD regulations, those families that port-in from other jurisdictions are eligible to have their rents subsidized by the Authority with reimbursement coming from the housing authority that issued the voucher.

u. Restricted use of resources

When restricted resources meet the criteria to be available for use and unrestricted resources are also available for use, it is the Authority's policy to use restricted resources first, and then unrestricted, as needed.

v. Restatement of net position

The discrete component units are audited separately under a basis of accounting different from the Authority, and accordingly, in order to conform to the Authority's accounting presentation certain reclassifications were needed. The Authority adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, effective July 1, 2013. GASB 65 requires that (1) debt issuance costs be recognized as an expense in the period incurred, and not be deferred and amortized over the life of the debt; and (2) loan origination fees, net of costs, be recognized in the period incurred and not be deferred and amortized over the life of the loan. There is a reduction in amortized loan costs in 2023 of \$249,810 and \$60,147 in 2022 for the discrete component units.

w. Reclassification

Certain fiscal year ended 2023 amounts have been reclassified in the accompanying financial statements to conform to the 2024 presentation.

x. Budgets

Budgets are prepared on an annual basis for each significant program and are used as a management tool throughout the accounting cycle. Budgets are not, however, legally adopted nor required in the basic financial statement presentation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

y. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

z. Income taxes

The Authority is a governmental agency and is exempt from federal and state income taxes. Accordingly, no provision for federal or state income taxes has been made in the financial statements.

The Authority's discrete component units have adopted the provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 740, *Income Taxes*, which clarifies the accounting and disclosure requirements for uncertainty in tax positions. It requires a two-step approach to evaluate tax positions and determine if they should be recognized in the financial statements. The two-step approach involves recognizing any tax positions that are "more likely than not" to occur and then measuring those positions to determine if they are recognizable in the financial statements. Management regularly reviews and analyzes all tax positions and has determined no aggressive tax positions have been taken.

The component units did not owe and did not pay federal and state income taxes for the years ended September 30, 2024 and 2023. The Authority's component units open audit periods are 2017 through 2023. Two of the component units were audited by the IRS in 2020 with no findings issued.

In August 2018, GASB issued Statement No. 90, "Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61." The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. For the fiscal year ending September 30, 2021, BCHA maintained no majority equity interest in a legally separate organization that meets the GASB definition of an investment; therefore, no reporting requirements of this Statement apply to BCHA. The requirements of this Statement took effect for financial statements starting with the fiscal year that ends December 31, 2019.

In May 2020, the GASB issued Statement No. 96, "Subscription-Based Information Technology Arrangements." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2022, the GASB issued Statement No. 101, “Compensated Absences”. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the Authority’s September 30, 2025 fiscal year end, for fiscal years beginning after December 15, 2023. Management is currently evaluating the impact of the adoption of this statement on the Authority’s financial statements.

In June 2022, the GASB issued Statement No. 100, “Accounting Changes and Corrections”. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for the Authority’s September 30, 2024, fiscal year end, for fiscal years beginning after June 15, 2023. Management is currently evaluating the impact of the adoption of this statement on the Authority’s financial statements.

aa. Comparative financial statements

These financial statements include summarized comparative prior-year information for both the combined discrete and blended component units.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Primary Government Including Blended Affiliates

At September 30, 2024 and 2023, total cash and cash equivalents and investments were composed of the following:

	2024	2023
Deposits, unrestricted	\$ 16,637,491	\$ 11,614,372
Investments, unrestricted	27,994,901	26,468,716
Deposits, restricted non-security deposits	2,813,550	5,042,314
Deposits, restricted security deposits	-	284,964
Total deposits for Primary Government		
Including Blended Affiliates	<u>\$ 47,445,942</u>	<u>\$ 43,410,366</u>

Custodial Credit Risk

Florida Statutes require that all depositories holding public funds collateralize deposits in excess of federal deposit insurance provided by the Federal Deposit Insurance Corporation. Under Chapter 280 Florida Statutes, as amended, Florida Security for Public Deposits Act (the “Act”), all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository’s collateral pledging level.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Primary Government Including Blended Affiliates (Continued)

The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. Any losses to public depositories are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. Since the Authority uses only authorized public depositories for its primary government funds, all of the primary government funds deposited with financial institutions are FDIC insured and/or are fully collateralized and treated as insured.

Investments

Investments are made in accordance with the Authority's Resolutions No. 98-38, 2017-04, and 2023-01 and Building Better Communities, Inc.'s resolutions 2012-01, 2017-03, and 2023-01. The Authority is authorized to invest in the following investment securities for its primary government funds: Repurchase agreements fully collateralized by United States Government obligations; negotiable direct obligations of the principal and interest which are guaranteed by the United States Government at the then prevailing market price for such securities (U.S. treasuries and agencies); obligations of the Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation (including Federal Home Loan Mortgage Corporations participation certificate); or the Federal Home Loan Bank or its district banks or obligations guaranteed by the Government National Mortgage Association (U.S. instrumentalities and agencies); obligations of the Federal National Mortgage Association; saving accounts in state certified public depositories and certificates of deposits (CD's) in state certified public depositories; the Florida Local Government Surplus Trust Fund (FLGIT, "SBA Florida Prime" if not investing HUD program funds).

The Florida Prime is a government investment pool developed by the Florida State Board of Administration (SBA) and is an authorized investment under Florida Statutes 218.415. The pool has no regulatory oversight and is a non-SEC-registered external investment pool, has received a Standard & Poor's "AAAm" rating, is professionally managed by Federated Investors, one of the nation's leading investment managers, and is governed by a six-member Board of Trustees. The Authority invests in the Short-Term Bond fund as permitted under Florida Statutes 218.415. The share price represents the fair value of the fund's underlying investments.

Interest Rate Risk

Both the Authority's and the Affiliates' investment policies limit investment maturities to 5 years as a means of managing its cash flow needs and exposure to fair value losses arising from rising interest rates.

Credit Risk

The Authority has no investment policy that further limits its investment choices since all investments, except for Florida Prime, are guaranteed. Florida Prime has an "AAAm" rating by Standard & Poors. Investments are also permitted in the Federal Home Loan Bank which is rated AAA by Standard & Poor's. The Affiliates' investment choices policy follows the Authority's policy and in addition permits investments in Grade AAA or AA Standard and Poor's rated corporate bonds, municipal bonds, or other similar fixed rate income investments. No such investments are currently held by the Affiliates.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Primary Government Including Blended Affiliates (Continued)

Concentration of credit risk

The Authority's investment policy places no limits on the amounts the Authority may invest in any one issuer, as all issuers are government guaranteed and/or collateralized except for the Florida Prime. The Authority's bank balances are covered under the Act or held at the (SBA). Exposure is minimized, as required by Florida Statute 280.17.

Fair Value of Investment Activity Specific Identification Method						
	Beginning 10/1/2023	Purchases	Sales	Subtotal	Ending 9/30/2024	Change in Fair Value
Synovus Bank Deposit Sweep	\$ -	\$12,361,631	\$ -	\$ 12,361,631	\$12,361,631	\$ -
US Treasury Note	26,468,716	4,200,500	(16,249,481)	14,419,735	15,633,270	1,213,535
Total	<u>\$ 26,468,716</u>	<u>\$16,562,131</u>	<u>\$ (16,249,481)</u>	<u>\$ 26,781,366</u>	<u>\$ 27,994,901</u>	<u>\$ 1,213,535</u>

The fair value measurement at the end of the fiscal year is listed above. The level of the fair value hierarchy within which the fair value measurements are all categorized as Level 1, unadjusted, quoted prices from actual sales or disposals of identical assets or liabilities that took place in an active market, to which the government had access on the measurement date. The valuation techniques used in the fair value measurement was their market value for the fiscal year end brokerage statement. There is no impact from any change in valuation technique and there are no nonrecurring fair value measurements.

Discrete Partnerships

At December 31, 2023 and 2022 total cash and cash equivalents and investments were composed of the following:

	2023	2022
Deposits, unrestricted	\$ 2,795,501	\$ 1,984,866
Deposits, restricted	5,703,394	5,917,102
Total deposits for Discrete Partnerships	<u>\$ 8,498,895</u>	<u>\$ 7,901,968</u>

Concentration of Credit Risk

Financial instruments, which potentially subject the partnerships to significant concentrations of credit risk, consist principally of cash and cash equivalents, and investments. The partnership cash accounts may exceed federally insured limits from time to time. Management believes that partnerships are not exposed to any significant credit risk on its cash and cash equivalents. Furthermore, the partnerships have not experienced any losses on its cash equivalents.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Included in restricted cash and investments are the following:

Operating Reserves

The Crystal Lakes Redevelopment Ltd. Partnership was required to establish a \$200,000 operating reserve prior to or simultaneously with the payment of the investor limited partner's fourth capital contribution. The administrative general partners were solely responsible for funding \$100,000 of the operating reserve and the partnership funded the remaining balance of \$100,000. Funds in the reserve may be withdrawn to pay operating expenses subject to the approval of the limited investor partner. After the third anniversary of the Development Obligation Date, the balance shall be reduced to \$100,000. Any funds released shall be considered operating cash and distributed in accordance with the partnership agreement. Furthermore, the remaining balance of \$100,000 may be partially or entirely released, provided the administrative general partner provides alternative collateral to the investor limited partner, and the investor limited partner approves the release. As of December 31, 2023, and 2022, the balance of the operating reserve was \$107,093 and \$107,093, respectively.

The Highland Gardens Development Ltd. Partnership was required to establish a \$150,000 operating reserve which was funded from funds remaining in the hard cost construction contingency and from available cash flows, as defined. The reserve requires approval of the general partners and investor limited partner before withdrawals can be made to pay any operating expenses, debt obligations or other expenses of the partnership. As of December 31, 2023, and 2022, the balance of the operating reserve was \$152,458 and \$152,297, respectively, which is included in other reserves restricted assets in the balance sheet.

Tallman Pines II, Ltd. Partnership was required to establish an operating deficit reserve in the initial amount of \$35,000 out of the proceeds of the fifth equity installment. As of December 31, 2023, and 2022, the balance in the operating deficit reserve was \$71,669 and \$71,669, respectively.

Ehlinger Apartments, Ltd. Partnership was required to establish an operating deficit reserve at the time of the payment of the second installment to be held by the lender or servicer. However, the obligation of the General Partner to fund operating deficits shall be limited to \$716,738 in the aggregate. As of December 31, 2023, and 2022, the operating reserve account was \$739,674 and \$730,490, respectively, and no operating deficits have been funded by the General Partner.

The Reliance-Progresso Associates, Ltd. Partnership was required to establish a \$291,034 operating reserve. Approval from the loan servicer is required before funds from the operating reserve are released. As of December 31, 2023, and 2022, the operating reserve balance was \$301,008 and \$297,270, respectively.

The Oakland Preserve, LLC Partnership established an initial operating amount of \$350,000 with equity proceeds from the final installment in 2018. As of December 31, 2023, and 2022, the operating reserve balance was \$350,470 and \$350,470, respectively.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Discrete Partnerships (Continued)

Mortgage Escrows

In connection with the mortgage, the Crystal Lakes Redevelopment, Ltd. Partnership is required to make monthly payments to an escrow for the payment of insurance. As of December 31, 2023, and 2022, the balance in the escrow account was \$94,822 and \$204,447, respectively.

Tax and Insurance Escrows

The Highland Gardens Development, Ltd. Partnership is required to fund a tax and insurance reserve concurrently with each monthly installment of principal and interest upon commencement of the permanent financing phase. As of December 31, 2023, and 2022, tax and insurance reserves were required to be funded; the balance of tax and insurance escrow was \$135,413 and \$22,405, respectively.

The Tallman Pines Associates, Ltd. Partnership is required to make monthly deposits in a tax and insurance reserve account for payment of property real estate taxes and insurance. The deposit amounts are reviewed by the lender annually to determine adequacy and are subject to adjustment. As of December 31, 2023, and 2022, the balance in the tax and insurance escrow was \$128,172 and \$94,441, respectively.

Repair and Replacement Reserves

The Crystal Lakes Redevelopment, Ltd. Partnership is required to fund a repair and replacement reserve of \$200 per unit per year under the terms of the refinanced first mortgage loan from 2016. As of December 31, 2023, and 2022, the replacement reserve balance was \$687,809 and \$678,015, respectively.

The Highland Gardens Development, Ltd. Partnership is required to fund a replacement reserve of \$250 per unit per year. Such amounts are to be increased 3 percent annually per the limited partnership agreement (LPA); for 2022 this amounted to \$346. While there is no mention of the 3% increase in the mortgage,

management has established a separate reserve for the additional reserves under the LPA. As of December 31, 2023, and 2022, the balance of repair and replacement reserves were \$335,431 and \$370,849, respectively.

The Tallman Pines Associates, Ltd. Partnership is required to make monthly deposits to a reserve for replacements account for use in funding future maintenance and replacement costs upon stabilization. Monthly payments will be required based on annual amounts of \$250 per unit, or \$44,000 in total. After the initial conversion year, the fee will be adjusted annually by an amount equal to 100 percent of the change in the consumer price index ("CPI"). Partnership maintains the replacement reserve with its lender pursuant to its mortgage loan agreement. The balance in the reserve at December 31, 2023, and 2022 was \$444,242 and \$564,996, respectively. The Tallman Pines I Associates, Ltd. Partnership was required to deposit the proceeds with U.S. Bank, N.A. (the trustee).

The Tallman Pines Associates, Ltd. Partnership has also established a management self-restricted replacement reserve. As of December 31, 2023, and 2022, the balance in the reserve was \$152,923 and \$152,923, respectively.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Discrete Partnerships (Continued)

The Tallman Pines II Associates, Ltd. Partnership is required to make monthly deposits to a reserve for replacements account for use in funding future maintenance and replacement costs upon stabilization. Monthly payments will be required based on annual base amounts of \$250 per unit. After the initial conversion year, the fee will be adjusted annually to reflect a 3 percent annual increase, as defined. As of December 31, 2023, and 2022 the balance in the Replacement Reserve account was \$127,665 and \$128,194, respectively.

The Reliance-Progresso Associates, Ltd. Partnership is required to make annual deposits of \$250 per unit, increased by 3% annually, into a replacement reserve account for capital expenditures. As of December 31, 2023, and 2022, the replacement reserve balance was \$172,661 and \$163,398, respectively.

Oakland Preserve LLC is required to establish and maintain a replacement reserve commencing at the earlier of 36 months after the closing date or the permanent loan closing. The Company is required to fund the replacement reserve in an annual amount of \$300 per unit. Deposits are to be increased 3 percent annually. As of December 31, 2023, and 2022, the replacement reserve accounts were \$119,040 and \$106,034, respectively.

NOTE 3 - DUE FROM OTHER GOVERNMENTAL AGENCIES

Primary Government Including Blended Affiliates

The breakdown of amounts due from governmental agencies as of September 30, 2024, and 2023, collectible within one year, was as follows:

	2024	2023
Housing Counseling Program	\$ 19,516	\$ 23,748
Fraud recovery	57,325	66,347
Emergency Housing Voucher HAP	72,379	73,447
Mainstream	-	676
Family Self Sufficiency	118,590	20,872
HAP HUD Held Reserves in transit	931,300	919,200
Portability	408,962	408,962
Continuum of Care (Shelter Plus Care Program)	549,521	535,739
Total	<u>\$ 2,157,593</u>	<u>\$ 2,048,991</u>

NOTE 4 - OTHER ASSETS

The breakdown of total other assets as of December 31, 2024 and 2023, was as follows:

Discrete Partnerships

	<u>2023</u>	<u>2022</u>
Utility Deposits	\$ 12,065	\$ 22,253
Other assets	2,853	5,050
Total	<u>\$ 14,918</u>	<u>\$ 27,303</u>

Note: Escrow Debt Service Reserve moved to Restricted Cash in 2021 for presentation.

NOTE 5 - CAPITAL ASSETS

Primary Government Including Blended Affiliates

	<u>Beginning Balance October 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance September 30, 2024</u>
Capital assets not being depreciated:				
Land	\$ 10,497,123	\$ -	\$ -	\$ 10,497,123
Construction in Progress	28,900	36,311	-	65,211
Total non-depreciable capital assets	10,526,023	36,311	-	10,562,334
Capital assets being depreciated:				
Buildings	36,627,010	18,300	-	36,645,310
Intangible -software	324,404	-	-	324,404
Capitalized leases	537,560	488,922	(268,069)	758,413
Furniture and fixtures - non-dwelling	3,424,313	73,215	(13,542)	3,483,986
Furniture and fixtures - dwelling	430,311	-	-	430,311
Building improvements	9,455,829	1,015,549	-	10,471,378
Total capital assets being depreciated	50,799,427	1,595,986	(281,611)	52,113,802
Less accumulated depreciation for:				
Buildings	(26,586,516)	(515,406)	-	(27,101,922)
Intangible -software	(324,404)	-	-	(324,404)
Capitalized leases	(329,545)	(52,821)	158,543	(223,823)
Furniture and fixtures - non-dwelling	(2,547,612)	(45,183)	13,542	(2,579,253)
Furniture and fixtures - dwelling	(447,653)	-	-	(447,653)
Building improvements	(6,947,715)	(825,208)	14,573	(7,758,350)
Total accumulated depreciation	(37,183,445)	(1,438,618)	186,658	(38,435,405)
Net depreciable capital assets	13,615,982	157,368	(94,953)	13,678,397
Net capital assets	<u>\$ 24,142,005</u>	<u>\$ 193,679</u>	<u>\$ (94,953)</u>	<u>\$ 24,240,731</u>

Depreciation expense for the years ended September 30, 2024, and 2023, was \$1,438,618 and \$1,461,314, respectively.

NOTE 5 - CAPITAL ASSETS (continued)

Capital assets activity by major classification as of September 30, 2024 and 2023 were as follows:

Primary Government Including Blended Affiliates

	Balance October 1, 2022	Additions	Retirements	Balance September 30, 2023
Capital assets not being depreciated:				
Land	\$ 10,497,123	\$ -	\$ -	\$ 10,497,123
Construction in Progress	28,900	-	-	28,900
Total non-depreciable capital assets	10,526,023	-	-	10,526,023
Capital assets being depreciated:				
Buildings	36,588,435	38,575	-	36,627,010
Intangible -software	324,404	-	-	324,404
Capitalized leases	537,560	-	-	537,560
Furniture and fixtures - non-dwelling	3,579,564	-	(155,251)	3,424,313
Furniture and fixtures - dwelling	430,311	-	-	430,311
Building improvements	9,215,186	240,643	-	9,455,829
Total capital assets being depreciated	50,675,460	279,218	(155,251)	50,799,427
Less accumulated depreciation for:				
Buildings	(25,543,975)	(1,042,541)	-	(26,586,516)
Intangible -software	(324,404)	-	-	(324,404)
Capitalized leases	(316,778)	(12,767)	-	(329,545)
Furniture and fixtures - non-dwelling	(2,448,916)	(119,506)	20,810	(2,547,612)
Furniture and fixtures - dwelling	(430,311)	(17,342)	-	(447,653)
Building improvements	(6,678,557)	(269,158)	-	(6,947,715)
Total accumulated depreciation	(35,742,941)	(1,461,314)	20,810	(37,183,445)
Net depreciable capital assets	14,932,519	(1,182,096)	(134,441)	13,615,982
Net capital assets	\$ 25,458,542	\$ (1,182,096)	\$ (134,441)	\$ 24,142,005

NOTE 5 - CAPITAL ASSETS (continued)**Discrete Partnerships**

	Beginning Balance January 1, 2023	Additions	Retirements	Ending Balance December 31, 2023
Capital assets not being depreciated:				
Land	\$ 2,280,000	\$ -	\$ -	\$ 2,280,000
Total non-depreciable capital assets	2,280,000	-	-	2,280,000
Capital assets being depreciated:				
Buildings	112,390,072	-	-	112,390,072
Furniture and fixtures - dwelling	9,012,718	-	-	9,012,718
Land improvements	9,760,227	-	-	9,760,227
Total capital assets being depreciated	131,163,017	-	-	131,163,017
Total accumulated depreciation	(50,300,094)	(575,579)	-	(50,875,673)
Net depreciable capital assets	80,862,923	(575,579)	-	80,287,344
Net capital assets	\$ 83,142,923	\$ (575,579)	\$ -	\$ 82,567,344

	Beginning Balance January 1, 2022	Additions	Retirements	Ending Balance December 31, 2022
Capital assets not being depreciated:				
Land	\$ 2,280,000	\$ -	\$ -	\$ 2,280,000
Total non-depreciable capital assets	2,280,000	-	-	2,280,000
Capital assets being depreciated:				
Buildings	112,390,072	-	-	112,390,072
Furniture and fixtures - dwelling	8,998,230	14,488	-	9,012,718
Land improvements	9,760,227	-	-	9,760,227
Total capital assets being depreciate	131,148,529	14,488	-	131,163,017
Total accumulated depreciation	(46,835,104)	(3,464,990)	-	(50,300,094)
Net depreciable capital assets	84,313,425	(3,450,502)	-	80,862,923
Net capital assets	\$ 86,593,425	\$ (3,450,502)	\$ -	\$ 83,142,923

Depreciation expense for the years ended December 31, 2023, and 2022 was \$3,770,061 and \$3,464,990, respectively.

NOTE 6 - LONG-TERM LIABILITIES

Primary Government Including Blended Affiliates

Long-term liabilities activity as of September 30, 2024 and 2023 were as follows:

	Beginning Balance October 1, 2023	Additions	Reductions	Ending Balance September 30, 2024	Amount Due within One Year
Family Self-Sufficiency escrow	\$ 504,273	\$ -	\$ (35,841)	\$ 468,432	\$ -
Leases	145,944	-	(145,944)	-	-
Pension Obligations	8,643,964	-	(826,409)	7,817,555	-
Compensated absences	863,431	678,420	(760,062)	781,789	30,000
Total long-term liabilities	<u>\$ 10,157,612</u>	<u>\$ 678,420</u>	<u>\$ (1,768,256)</u>	<u>\$ 9,067,776</u>	<u>\$ 30,000</u>

	Beginning Balance October 1, 2022	Additions	Reductions	Ending Balance September 30, 2023	Amount Due within One Year
Family Self-Sufficiency escrow	\$ 485,070	\$ 19,203	\$ -	\$ 504,273	\$ -
Leases	225,923	-	(79,979)	145,944	60,945
Pension Obligations	7,154,512	1,489,452	-	8,643,964	-
Compensated absences	823,641	678,420	(638,630)	863,431	30,000
Total long-term liabilities	<u>\$ 8,689,146</u>	<u>\$ 2,187,075</u>	<u>\$ (718,609)</u>	<u>\$ 10,157,612</u>	<u>\$ 90,945</u>

Discrete Partnerships

Long-term liabilities activity as of December 31, 2023 and 2022, were as follows:

	Beginning Balance January 1 2023	Additions	Reductions	Ending Balance December 31 2023	Amount Due within One Year
Fee payable to affiliate partners	\$ 12,418	\$ 211	\$ -	\$ 12,629	\$ -
Asset management fee	14,557	14,994	-	29,551	-
Exchange income advanced	2,093,781	186,667	-	2,280,448	-
Tax credit exchange program loan	3,715,890	-	(1,551,207)	2,164,683	-
Mortgages	26,660,213	-	(2,177,707)	24,482,506	920,877
Total long-term liabilities	<u>\$ 32,496,859</u>	<u>\$ 201,872</u>	<u>\$ (3,728,914)</u>	<u>\$ 28,969,817</u>	<u>\$ 920,877</u>

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Discrete Partnerships (Continued)

	Beginning Balance January 1 2022	Additions	Reductions	Ending Balance December 31 2022	Amount Due within One Year
Fee payable to affiliate partners	\$ 12,216	\$ 202	\$ -	\$ 12,418	\$ -
Asset management fee	14,133	424	-	14,557	-
Exchange income advanced	1,907,114	186,667	-	2,093,781	-
Tax credit exchange program loan	4,014,557	-	(298,667)	3,715,890	-
Mortgages	27,486,967	-	(826,754)	26,660,213	915,319
Total long-term liabilities	<u>\$ 33,434,987</u>	<u>\$ 187,293</u>	<u>\$ (1,125,421)</u>	<u>\$ 32,496,859</u>	<u>\$ 915,319</u>

The Crystal Lakes Redevelopment, Ltd. Partnership

First Mortgage Loan

On September 1, 2016, the Partnership refinanced the existing loan with Greystone Funding Corporation in the amount of \$8,624,000. Walker & Dunlop subsequently took over the loan. The mortgage note is insured by HUD and is collateralized by a deed of trust on the rental property. The note bears interest at a rate of 3.40% per annum. Principal and interest are payable by the Partnership in monthly installments of \$35,144 through maturity on October 1, 2051. During the years ended December 31, 2022 and 2021, interest was incurred in the amounts of \$267,705 and \$273,327, respectively, which includes \$7,369 and \$7,603 of amortization of debt issuance costs for the years ended December 31, 2022 and 2021, respectively. While the debt issuance cost is amortized on the affiliates' audits under FASB rules, under GASB, these costs are expensed (see footnote 1 t and footnote 14, Combining Statement of Revenues, Expenses, and Changes in Net Position). As of December 31, 2023, and 2022, the balance of the mortgage payable was \$7,582,721 and \$7,743,661 and accrued interest payable of \$21,484 and \$21,940, respectively.

Debt issuance costs, net of accumulated amortization, totaled \$156,382 and \$163,751, as of December 31, 2023 and 2022, respectively, and are related to the first mortgage. Debt issuance costs on the above note are being amortized using an imputed rate of 3.57% under the FASB rules for the individual partnership audit. These are expensed under the GASB rules for the consolidated ACFR.

HOME Loans

The Crystal Lakes Redevelopment, Ltd. Partnership entered into a HOME loan agreement on December 20, 2005, with The City of Hollywood for an original amount of \$500,000. Interest shall not accrue nor be payable on the loan. The outstanding principal balance shall be due and payable on December 20, 2037. The outstanding balance, if any, together with any accrued interest and penalties, if any, shall be immediately due at that time. As of December 31, 2023, and 2022, the outstanding balance on the loan was \$500,000 and \$500,000, respectively.

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Discrete Partnerships (Continued)

The Crystal Lakes Redevelopment, Ltd. Partnership (Continued)

Other Mortgages

The Crystal Lakes Redevelopment, Ltd. Partnership entered into a loan agreement on December 23, 2005 with BBC Homes, Inc., a blended component unit of the Authority for an original amount of \$621,550 consisting of \$250,000 of SHIP and \$371,550 of HOME funds loaned by Broward County to BCHA. Interest shall not accrue on the note. The outstanding principal balance shall be due and payable on December 1, 2037. Any payment not paid when due considering applicable grace periods shall bear interest at the rate of 18.00% per annum, from the due date until paid. As of December 31, 2023, and 2022, the outstanding balance on the loan was \$621,550 and \$621,550, respectively.

The Crystal Lakes Redevelopment, Ltd. Partnership entered into a loan agreement on January 9, 2007, with BBC Homes, Inc. (BCHA) for an original amount of \$245,126 (consisting of SHIP funds loaned by Broward County to BCHA). Interest shall not accrue on the note. The outstanding principal balance shall be due and payable on December 1, 2037. Any payment not paid when due considering applicable grace periods shall bear interest at the rate of 18.00% per annum, from the due date until paid. As of December 31, 2023, and 2022, the outstanding balance on the loan was \$245,126 and \$245,126, respectively.

The estimated future principal payments on the Crystal Lakes Redevelopment, Ltd. Partnership mortgage notes are as follows for years ending December 31:

	Walker & Dunlop	BCHA -SHIP	BCHA -HOME	The City of Hollywood	BCHA	Total
2024	\$ 166,498	\$ -	\$ -	\$ -	\$ -	\$ 166,498
2025	172,248	-	-	-	-	172,248
2026	178,197	-	-	-	-	178,197
2027	184,351	-	-	-	-	184,351
2028	190,717	-	-	-	-	190,717
Thereafter	6,690,710	250,000	371,550	500,000	245,126	8,057,386
Total	<u>\$ 7,582,721</u>	<u>\$ 250,000</u>	<u>\$ 371,550</u>	<u>\$ 500,000</u>	<u>\$ 245,126</u>	<u>\$ 8,949,397</u>
Less: current maturities						(166,498)
Net long-term portion						<u>\$ 8,782,899</u>

The liability of the Crystal Lakes Redevelopment, Ltd. Partnership under the above loans is limited to the underlying value of the real estate collateral, improvements, easements of other interests, assignments of rents, assignments of leases and personal property. In addition, affiliates of the general partners have provided certain guarantees during the construction period, as defined.

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Discrete Partnerships (Continued)

The Highland Gardens Development, Ltd. Partnership

The Highland Gardens Development, Ltd. Partnership entered into a converting construction loan agreement on October 10, 2007, with Berkadia Commercial Mortgage, Inc. The loan converted to the permanent financing phase on December 15, 2009, with a principal balance of \$2,200,000 at a fixed rate of 6.73 percent and will mature October 31, 2024. Monthly payments of principal and interest are \$14,240 and due on a 30-year amortization schedule. As of December 31, 2023, and 2022, the outstanding balance on the loan was \$1,676,280 and \$1,732,282, respectively. As of December 31, 2023, and 2022, interest expense was \$129,739 and \$133,076.

Debt issuance costs, net of accumulated amortization, totaled \$12,774 and \$27,951 as of December 31, 2023, and 2022, respectively, and are related to the first mortgage. Debt issuance costs on the above note are being amortized using an imputed rate of 8.42% under the FASB rules for the individual partnership audit. These are expensed under the GASB rules for the consolidated ACFR.

The liability of the Partnership under the above loan is limited to the underlying value of the real estate collateral, improvements, easements of other interests, assignments of rents, assignments of leases and personal property.

The liability of the Highland Gardens Development, Ltd. Partnership under the above loan in each of the next five years is presented in the following table:

<u>December 31:</u>	<u>Amount</u>
2024	\$ 1,675,671
Less current maturities	(56,317)
Debt issuance costs	(12,774)
Net long-term portion	<u>\$ 1,606,580</u>

The Tallman Pines I, Ltd. Partnership

Mortgage Payable

The Tallman Pines I, Ltd. Partnership has a construction mortgage in the amount of \$3,400,000 with Bank of America, N.A. ("BOA"). The mortgage bears interest at 6.7 percent per annum through the conversion date. The loan converted on April 1, 2010, and is now payable in monthly installments of principal and interest in the amount of \$21,939 based on a 30-year amortization schedule. The mortgage will mature May 29, 2025. The mortgage is secured by a first trust deed on the Partnership's real property, as defined in the mortgage, assignment, security agreement and fixture filing. As of December 31, 2023, and 2022, the outstanding balance was \$2,624,621 and \$2,708,953, respectively.

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Discrete Partnerships (Continued)

The Tallman Pines I, Ltd. Partnership (Continued)

Mortgage Payable

Accrued interest payable was \$14,654 and \$15,125, respectively. Interest of \$179,688 and \$185,755 were incurred during 2023 and 2022, respectively, which included \$1,217 and \$1,804 of amortization of debt issuance costs, respectively. Debt issuance costs, net of accumulated amortization, totaled \$2,386 and \$3,603 as of December 31, 2023, and 2022, respectively, and are related to the first mortgage. Debt issuance costs on the above note are being amortized using an imputed rate of 7.22% under the FASB rules for the individual partnership audit. These are expensed under the GASB rules.

Second Mortgage Payable

The Tallman Pines Associates, Ltd. Partnership has a second mortgage in the amount of \$1,000,059 with Broward County Board of County Commissioners ("BCBCC"). The mortgage bears interest at 1 percent through maturity on November 30, 2038, as defined. The mortgage is payable in monthly principal and interest payments in the amount of \$3,217. The mortgage is secured by a second trust deed on the Partnership's real property, as defined in the mortgage, assignment, security agreement and fixture filing. As of December 31, 2023, and 2022, there was an outstanding balance of \$545,698 and \$578,854, respectively. Interest of \$5,443 and \$5,773 were incurred during 2023 and 2022, respectively.

Future principal payments on the Tallman Pines I, Ltd. Partnership mortgages payable are as follows:

	Pacific Life	BCBCC	Total
2024	\$ 90,159	\$ 33,489	\$ 123,648
2025	96,389	33,825	130,214
2026	103,048	34,165	137,213
2027	110,169	34,508	144,677
2028	2,224,856	34,855	2,259,711
Thereafter	-	374,856	374,856
Total	\$ 2,624,621	\$ 545,698	3,170,319
Less current maturities			(123,648)
Net long-term portion			\$ 3,046,671

The Tallman Pines II, Ltd. Partnership

Mortgage Payable

The Tallman Pines II, Ltd. Partnership entered into a mortgage on September 11, 2007 in the amount of \$3,654,876 with Florida Housing Finance Corporation ("FHFC"). Twenty-five percent of the base loan shall bear an annual interest rate of zero percent and seventy-five percent of the loan shall bear an annual interest rate of 1 percent.

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Discrete Partnerships (Continued)

The Tallman Pines II, Ltd. Partnership (Continued)

The maturity date of the Base Loan is September 11, 2057, providing for a fifty-year permanent loan period, unless acceleration is made by FHFC pursuant to the terms of the loan agreement or the other documents evidencing or securing the loan, as defined. The supplemental loan of \$260,000 bears no interest and matures on September 11, 2027 with an option for an automatic extension to September 11, 2057. The mortgage is secured by a second trust deed on the Partnership's real property. As of December 31, 2023, and 2022, there was an outstanding balance of \$3,654,876 and \$3,654,876 accrued interest payable of \$28,856 and \$28,856, and interest of \$30,255 and \$30,255 was incurred during 2023 and 2022, respectively.

Debt issuance costs, net of accumulated amortization, totaled \$34,160 and \$35,559 as of December 31, 2023 and 2022, respectively, and are related to the first mortgage under the FASB rules for the individual partnership audit. These are expensed under the GASB rules for the consolidated ACFR.

Ehlinger Apartments, Ltd. Partnership

First Mortgage Payable

On July 1, 2013, the construction loan converted to a permanent loan in an amount of \$5,575,000. The loan has a term of 15 years, amortizing on a 30-year schedule. The loan bears interest equal to 7.35 percent per annum and is payable in monthly installments of principal and interest totaling \$38,410, with any remaining unpaid principal due in full at maturity on June 1, 2027. This mortgage is secured by the rental property. As of December 31, 2023, and 2022, the principal balance was \$4,680,965 and \$4,761,908, respectively, which included \$87,684 and \$112,894 of unamortized debt issuance costs, respectively. As of December 31, 2023, and 2022, accrued interest payable totaled \$29,208 and \$29,858, respectively. Interest expense related to the first mortgage payable was \$379,329 and \$397,035, respectively, which includes amortization of debt issuance costs in the amount of \$25,210 and \$25,250, respectively.

County HOME Loan

The Partnership has a loan agreement with Broward County Florida (the County) for \$285,000. The County loan has a 30-year term and bears no interest. The loan is secured by the rental property. As of December 31, 2023, and 2022, the loan balance was \$285,000 and is included in mortgages and notes payable, net on the accompanying balance sheet.

SHIP Loan

The Partnership has entered into a loan agreement in the amount of \$110,000 with the Town of Davie. The SHIP loan has a 30-year term and bears no interest. The loan is secured by the rental property. As of December 31, 2023, and 2022, the SHIP loan balance was \$110,000 and is included in mortgages and notes payable, net on the accompanying balance sheet.

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Discrete Partnerships (Continued)

FHFC Exchange Loans

On November 30, 2010, the Partnership applied for and received a loan in the original amount of \$5,000,000, which was funded with tax credit exchange (“TCE”) funds from the FHFC pursuant to Section 1602 of the American Recovery and Reinvestment Act of 2009 (“Section 1602”). Additional exchange funds were awarded to the Partnership in the amount of \$1,275,000, conditioned upon the Partnership agreeing to increase the number of Extremely Low-Income units from 16 units to 31 units. Under Section 1602, state housing agencies can exchange allocations of low-income housing tax credits (“LIHTC”) which have been allocated to their state under Section 42 of the Internal Revenue Code (Section 42) for cash at a prescribed rate of up to \$0.85 for each dollar of LIHTC. In turn, the state housing agencies can use Section 1602 funds to make forgivable loans to properties that qualify for LIHTC. As of December 31, 2023, and 2022, \$6,275,000 of loan proceeds have been received.

The Partnership's loan does not bear interest and matures on November 30, 2025. Under the loan agreement, the loan principal is forgiven annually at the rate of 6.67 percent over the 15-year IRS affordability and compliance monitoring extended use period. Forgiveness is subject to the Partnership maintaining compliance with Section 42. Prior to being forgiven, the remaining outstanding portion of the loan is an amortizing loan, and no principal payments are required as long as there are no instances of noncompliance by the Partnership. The annual forgiveness amount is \$418,333. The loan agreement provides the authority with a security interest in the rental property. As of December 31, 2023, and 2022, the balance outstanding on the exchange loan was \$1,324,726 and \$1,743,059, respectively, and is included in mortgages and notes payable, net on the accompanying balance sheet.

Loan proceeds funded with Section 1602 program funds are intended to assist with the payment of development costs of LIHTC properties. In exchange for the funds received, the Partnership has agreed to operate the property in accordance with Section 42. Portions of the loan which have been forgiven are considered government assistance related to assets. The Partnership will record the portions of the loan which have been forgiven as a deferred liability, which will be recognized as basis over the 40-year depreciable life of the buildings and improvements. As of December 31, 2023, and 2022, the unearned income balance on the exchange loan was \$3,093,920 and \$2,832,462, respectively. The annual income amount is \$156,875 and \$156,875 for December 31, 2023, and 2022, respectively.

NOTE 6 - LONG-TERM LIABILITIES (Continued)**Discrete Partnerships (Continued)**Ehlinger Apartments, Ltd. Partnership (Continued)

Future principal payments on the above Ehlinger Apartments, Ltd. Partnership mortgages payable are as follows:

	<u>1st Mortgage</u>	<u>TCEP</u>	<u>SHIP</u>	<u>HOME</u>	<u>Total</u>
2024	\$ 114,219	\$ 418,333	\$ -	\$ -	\$ 532,552
2025	122,903	418,333	-	-	541,236
2026	132,247	418,333	-	-	550,580
2027	142,301	69,727	-	-	212,028
2028	153,120	-	-	-	153,120
Thereafter	<u>4,103,859</u>	<u>-</u>	<u>110,000</u>	<u>285,000</u>	<u>4,498,859</u>
Total	4,768,649	1,324,726	110,000	285,000	6,488,375
Less unamortized debt issuance costs	<u>(87,684)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,684)</u>
	4,680,965	1,324,726	110,000	285,000	6,400,691
Less current maturities					<u>(532,552)</u>
Net long-term portion					<u>\$ 5,868,139</u>
Effective interest rate					<u>5.85%</u>

On December 17, 2010, the Partnership obtained financing in the amount of \$7,520,000 (the "Construction Loan"). The Construction Loan was to mature on December 17, 2012. On September 12, 2012, the Construction Loan was amended, restated, and converted in the amount of \$1,520,000 (the "Mortgage"). The mortgage term is 18 years. The mortgage bears interest at 7.46% per annum. Interest and principal payments of \$10,586 are paid monthly. The mortgage matures in October 2030 and is collateralized by the Project. As of December 31, 2023, and 2022, the outstanding principal balance was \$1,283,241 and \$1,313,319, respectively. For the years ended December 31, 2023, and 2022, \$100,789 and \$102,923, respectively, of interest was incurred, which included \$4,017 and \$3,982 of amortization of debt issuance costs, respectively. As of December 31, 2023, and 2022, accrued interest totaled \$7,977 and \$8,164, respectively.

Debt issuance costs, net of accumulated amortization, totaled \$28,598 and \$32,596 as of December 31, 2023, and 2022, respectively, and are related to the first mortgage. Debt issuance costs on the above note are being amortized using an imputed rate of 8.08%.

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Discrete Partnerships (Continued)

The Reliance-Progresso Associates, Ltd. Partnership

First Mortgage Payable

HOME Loan

During December 2010, the Partnership obtained a loan in the original amount of \$250,000 from Broward County Housing Finance and Community Development Divisions (the “HOME Loan”). The loan bears no interest and is collateralized by the Project. Annual principal payments are made only from available cash flow, as defined in the partnership agreement. No payments are due until December 2040, at which time the total amount outstanding will be due. As of December 31, 2023, and 2022, \$250,000 and \$250,000 was outstanding, respectively.

Exchange Program Loan

On December 17, 2010, the Partnership entered into a Subaward Agreement under Section 1602 of the American Recovery and Reinvestment Tax Act (the “Subaward Agreement”) with Florida Housing Finance Corporation (“FHFC”). Under the Subaward Agreement, the Partnership was awarded tax credit exchange program funds (the “Exchange Program Funds”) for an amount up to \$4,480,000. As of December 31, 2023, and 2022, the Exchange Program Funds of \$4,480,000 were drawn and outstanding. The Partnership received the Exchange Program Funds in the form of an interest free forgivable loan (the “Exchange Program Loan”). The full amount of the Exchange Program Loan is deemed forgiven at the end of the first 15-year compliance period if no recapture event has occurred, as more fully defined in the Subaward Agreement. Pursuant to the Subaward Agreement, if a recapture event arises due to non-compliance, the recapture amount will be equal to the full amount of the Exchange Program Loan less 6.67% for each year of the first 15-year compliance period in which a recapture event has not occurred. The Exchange Program Loan is secured by a recapture mortgage, between the Partnership and FHFC, which is collateralized by the Project. A prorated amount of the loan is amortized on a straight-line basis over the first 15-year compliance period. Each year the income is recognized on a straight-line basis over the 40-year life of the asset and remaining income is deferred. For the years ended December 31, 2023 and 2022, the income recognized on the Exchange Program Loan was \$112,000 and \$112,000, respectively. As of December 31, 2023, and 2022, the Exchange Program Loan balance net of recognized and deferred income was \$846,219 and \$1,144,886, respectively. As of December 31, 2023, and 2022, the deferred income on the Exchange Program Loan was \$2,280,448 and \$2,093,781, respectively.

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Discrete Partnerships (Continued)

The Reliance-Progresso Associates, Ltd. Partnership (Continued)

Future principal payments on the above Reliance-Progresso Associates, Ltd. Partnership mortgages payable and exchange program are as follows:

	<u>Pacific Life</u>	<u>Exchange</u>	<u>HOME</u>	<u>Total</u>
2024	\$ 32,401	-	-	\$ 32,401
2025	34,902	-	-	34,902
2026	37,597	-	-	37,597
2027	40,499	-	-	40,499
2028	43,626	-	-	43,626
Thereafter	<u>1,094,216</u>	<u>846,219</u>	<u>250,000</u>	<u>2,190,435</u>
Total	\$ 1,283,241	\$ 846,219	\$ 250,000	2,379,460
Less current maturities				<u>(32,401)</u>
Net long-term portion				<u><u>\$ 2,347,059</u></u>

Construction mortgage

The Company entered into a construction loan agreement on July 19, 2016, with Wells Fargo Bank, N.A. for an amount not to exceed \$5,000,000. The loan bears interest at a variable rate equal to 30-day LIBOR plus 250bps. The loan will be re-benchmarked with the phase out of LIBOR. Monthly payments of interest only are due through conversion to the permanent phase. As of December 31, 2022, and 2021, the loan has been paid in full.

Upon conversion to the permanent loan, which occurred on June 8, 2018, the balance was reduced to \$1,850,000 and monthly principal and interest payments of \$10,181 are due based on a 30-year amortization schedule and a 5.22 percent interest rate. The permanent loan maturity date is July 1, 2036. As of December 31, 2023, and 2022, the outstanding balance on the loan was \$1,690,098 and \$1,723,111, respectively. Interest expense during the years ended December 31, 2023, and 2022, was \$102,953 and \$104,474, which includes \$13,933 and \$13,771 of amortization of debt issuance costs, respectively. As of the years ended December 31, 2023, and 2022, interest of \$7,352 and \$7,496 remains payable, respectively.

Debt issuance costs, net of accumulated amortization, totaled \$218,775 and \$232,708 as of December 31, 2023 and 2022, respectively, and are related to the first mortgage. Debt issuance costs on the above note are being amortized use an imputed rate of 14.64 % under the FASB rules for the individual partnership audit. These are expensed under the GASB rules.

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Discrete Partnerships (Continued)

Subordinate loan

The Company entered into a HOME loan agreement on July 19, 2016, with Broward County for an amount not to exceed \$100,000. The loan bears no interest and requires no payment prior to maturity. The loan matures on July 19, 2046. As of December 31, 2023, and 2022, the outstanding balance of the loan was \$100,000 and \$100,000, respectively.

	Wells Fargo	HOME Loan	Total
2024	34,778	-	34,778
2025	36,638	-	36,638
2026	38,597	-	38,597
2027	40,660	-	40,660
2028	42,834	-	42,834
Thereafter	<u>1,496,591</u>	<u>100,000</u>	<u>1,596,591</u>
Total	<u>\$ 1,690,098</u>	<u>\$ 100,000</u>	1,790,098
Less current maturities			<u>(34,778)</u>
Net long-term portion			<u>\$ 1,755,320</u>

NOTE 7 - LEASE OBLIGATION PAYABLE

The Authority leases certain vehicles under leases classified formerly known as capital leases now to be known simply as leases per GASB 87. The lease vehicles and copiers are amortized on a straight-line basis over 5 years. The total acquisition cost of the vehicles and copiers as of September 30, 2024 was \$537,560 with total accumulated depreciation related to the leases \$537,560 as of September 30, 2024, for a net book value of \$208,015. The following is a schedule showing the future minimum lease payments under leases by years and the present value of the minimum lease payments as of September 30, 2023. The interest rate related to the lease obligation is 5% and the maturity is January 2026.

Discrete Partnerships

<u>Year ending September 30</u>	<u>Amount</u>
2024	\$ 49,530
2025	36,965
2026	21,563
2027	-
2028	-
Thereafter	-
Total minimum lease payments	108,058
Less: amount representing interest	(6,346)
Present value of minimum lease payments	<u>\$ 101,712</u>

At September 30, 2023, the present value of minimum lease payments due within one year is \$47,172.

NOTE 8 - UNRESTRICTED NET POSITION

Unrestricted net position for the Primary Government and Blended Affiliates totaled \$39,561,584 and \$32,248,053, at September 30, 2024, and 2023, respectively. Unrestricted net position for the Discrete Partnerships totaled \$3,291,201 and \$5,654,759 at December 31, 2024 and 2023, respectively.

NOTE 9 - NET POSITION FOR HOUSING ASSISTANCE PAYMENTS

Effective January 1, 2005, the U.S. Department of Housing and Urban Development authorized for any budget authority that is not used during a fiscal year to pay Housing Assistance Payments (“HAPs”) to become part of restricted net position. This net position may only be used to assist additional families up to the number of vouchers approved in the Annual Contributions Contract (“ACC”). The restricted net position account will also include monies generated from interest income on HAP investments, Family Self-Sufficiency (“FSS”) Escrow, forfeitures and fraud recoveries. The restricted net position related to the Housing Choice Voucher Program (“Section 8”) program are reported in the accompanying statements of net position. As of September 30, 2024, and 2023, the restricted net position is \$(468,608) and \$591,923, respectively.

NOTE 10 - RETIREMENT PLANS

General Information - All of the Authority’s employees participate in the Florida Retirement System (“FRS”). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing,

NOTE 10 - RETIREMENT PLANS (Continued)

multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications

Plan Description

The Authority participates in the Florida Retirement System (the “System”), a cost-sharing, multi-employer public retirement system (“PERS”) which covers substantially all of the Authority’s full-time and part-time employees. The System was created in 1970 by consolidating several employee retirement systems. All eligible employees, as defined by the State, who were hired after 1970 and those employed prior to 1970 who elect to be enrolled are covered by the System. Benefits under the plan vest after six years of service. For members initially enrolled before July 1, 2011, vested and age 62 or after 30 years of creditable service, regardless of age (may include optional service credit). For members initially enrolled on or after July 1, 2011, vested and age 65 or after 33 years of creditable service, regardless of age (may include optional service credit). The System also provides for death and disability benefits. These benefit provisions and all other requirements are established by State Statutes. The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Pension Plan - FRS

Basis of Accounting - Employers participating in the FRS Pension Plan and HIS Program are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB 68. The Schedules of Employer Allocations and Schedules of Pension Amounts by Employer (pension allocation schedules) and notes to the schedules, along with the system’s audit, provide employers with the required information for reporting. The underlying financial information used to prepare the pension allocation schedules is based on the system’s records. The financial statements for the cost-sharing defined benefit plans are prepared using the flow of economic resources measurement focus and the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States.

NOTE 10 - RETIREMENT PLANS (Continued)

Pension Plan - FRS (continued)

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional

officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

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

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed

NOTE 10 - RETIREMENT PLANS (continued)

60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Pension Plan - FRS (continued)

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. Under the System, the Authority was required to contribute, effective July 1, 2024, 13.63% of the salary of regular members and 34.52% for senior management; effective July 1, 2023, 13.57% of the salary of regular members and 34.52% for senior management; effective July 1, 2022, 11.91% of the salary of regular members and 31.57% for senior management. The required contribution by the Authority to the System for the fiscal years ended September 30, 2024 and 2023, was \$1,030,887 and \$1,030,887, respectively. The Authority has met all contribution requirements each year.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2024, the Authority reported a liability of \$5,421,553 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Authority's proportionate share of the net pension liability was based on the Authority's 2023-24 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2024, the Authority's proportionate share was 0.0140 percent, which was an increase of 0.001 percent from its proportionate share measured as of June 30, 2023.

Net Pension Liability

The components of the BCHA proportion of the net pension liability for each defined benefit plan for the measurement date of June 30, 2024, are shown below (in thousands):

Description	FRS	HIS
Total Pension Liability, BCHA proportion	\$ 33,266,780	\$ 2,568,928
Plan Fiduciary Net Position, BCHA proportion	(27,845,227)	(172,926)
Net Pension Liability , BCHA proportion	<u>\$ 5,421,553</u>	<u>\$ 2,396,002</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.70%	6.73%

NOTE 10 - RETIREMENT PLANS (continued)

Pension Plan - FRS (continued)

The total pension liability for the FRS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2024. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan.

The fiduciary net position is reported in the financial statements, and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The pension liability for the HIS was determined by the plan's actuary and reported in the plan's GASB 67 valuation as of June 30, 2024. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements, and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience regarding economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes in proportion and differences between contributions and proportionate share of contributions - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments – amortized over five years

Employer contributions to the pension plans from employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense. Contributions made after the measurement date of the net pension liability but before the end of the entity's reporting period will be recognized as a reduction of the net pension liability net pension liability in the subsequent fiscal period rather than in the current fiscal period.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2023, was 5.5 years for FRS and 6.4 years for HIS. The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended June 30, 2024, are presented below for each plan.

NOTE 10 - RETIREMENT PLANS (continued)**Pension Plan - FRS (continued)**

For the fiscal year ended September 30, 2024, the Authority recognized pension expense of \$837,322. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 147,902	\$ (50,946)
Change of assumptions	2,508,574	0
Net difference between projected and actual earnings on FRS Plan investments	546,749	(1,559,652)
Changes in proportion and differences between Authority FRS Plan contributions and proportionate share of contributions	1,041,322	(1,159,823)
Authority FRS Plan contributions subsequent to the measurement date	212,076	-
Total	<u>\$ 4,456,623</u>	<u>\$ (2,770,421)</u>

The deferred outflows of resources related to the Pension Plan, totaling \$212,076 resulting from Authority contributions to the Plan after the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

NOTE 10 - RETIREMENT PLANS (continued)

Pension Plan - FRS (Continued)

Fiscal Year Ending September 30:	Amount
2024	118,806
2025	(106,325)
2026	925,112
2027	49,469
Thereafter	-
	<u>\$ 987,062</u>

Actuarial Assumptions - The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40 %
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment
Expense	

Mortality rates were based on the PUB-2010 base table.

The actuarial assumptions used in the July 1, 2023, valuation was based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

NOTE 10 - RETIREMENT PLANS (continued)

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate (Property)	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean		2.4%		1.5%

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

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

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

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Authority's proportionate share of the net pension liability	\$ 9,536,321	\$ 5,421,553	\$ 1,974,561

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

NOTE 10 - RETIREMENT PLANS (continued)

HIS Plan

Payables to the Pension Plan - At September 30, 2024, the Authority did not report a payable for outstanding contributions to the Pension Plan required.

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

Benefits Provided - For the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution for the period October 1, 2022, through June 30, 2023, and from July 1, 2021, through September 30, 2022, was 1.20% and 1.20%, respectively. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Authority's contributions to the HIS Plan totaled \$36,954 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2024, the Authority reported a liability of \$2,396,002 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The Authority's proportionate share of the net pension liability was based on the Authority's 2023-24 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2024, the Authority's proportionate share was 0.01597 percent, which was an increase of 0.00021 percent from its proportionate share measured as of June 30, 2024.

Employer contributions to the pension plans from employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense. Contributions made after the measurement date of the net pension liability but before the end of the entity's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

NOTE 10 - RETIREMENT PLANS (continued)

HIS Plan (Continued)

For the fiscal year ended September 30, 2024, the Authority recognized HIS Plan expense of \$4,659. In addition, the Authority reported deferred outflows of resources and deferred in flows of resources related to the HIS plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,256	\$ (2,105)
Change of assumptions	110,940	(732,098)
Net difference between projected and actual earnings on HIS Plan investments	4,691	(6,897)
Changes in proportion and differences between Authority HIS Plan contributions and porportionate share of contributions	530,796	(209,274)
Authority HIS Plan contributions subsequent to the measurement date	40,091	(90,685)
Total	<u>\$ 765,774</u>	<u>\$ (1,041,058)</u>

The deferred outflows of resources related to the HIS Plan, totaling \$40,091 resulting from Authority contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Actuarial Assumptions - The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.50%, average, including inflation
Municipal bond rate	N/A

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

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

NOTE 10 - RETIREMENT PLANS (Continued)

HIS Plan (Continued)

Discount Rate (Continued)

The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease 2%	Current Discount Rate 3.65%	1% Increase 4.65%
Authority's proportionate share of the net pension liability	\$ 2,930,745	\$ 2,396,002	\$ 2,269,005

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

Payables to the Pension Plan - At September 30, 2024, the Authority did not report a payable for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2024.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report (see page 58 for link).

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance

NOTE 10 - RETIREMENT PLANS (Continued)

HIS Plan (Continued)

Investment Plan (Continued)

Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2023-24 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class as follows; Regular class 13.63% and Senior Management Service class 34.52%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his/her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

After termination and applying to receive benefits, the member may roll over vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

NOTE 11 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Authority's risk management program encompasses obtaining property and liability insurance.

There has been a significant reduction in insurance coverage from the prior year. This year the Authority was unable to procure General Liability for assault and battery claims above \$100,000 for the non-LIHTC affordable housing properties and for two of the seven LIHTC properties. In addition, there have been no significant claims that have exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 12 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Authority's operations are concentrated in the real estate market. The Authority owns and manages various properties which consist of 373 Multi-family apartments distributed through Broward County, Florida.

NOTE 12 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS (Continued)

In addition, at September 30, 2024, the Authority subsidized approximately 6,000 apartment units through federally aided Housing Choice Voucher Program (“Section 8”) projects under annual contribution contracts throughout Broward County, Florida.

The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Operating Deficit Guarantees

Pursuant to the Crystal Lakes Redevelopment, Ltd. partnership agreement, the general partners are required to advance funds to the Partnership to cover operating deficits of the Project beginning on the admission date and ending for eleven years after the Development Obligation Date, as defined. Advances prior to the Development Obligation Date are considered special capital contributions. Advances after the Development Obligation Date are considered loans. The maximum total advances are \$200,000 through the third year after the Developer Obligation Date. After the third year, the maximum total advances are \$100,000. Any advances shall not bear interest and are repayable from operating cash flow, as defined. Funds in the operating reserve may be used to satisfy the loan obligations, as defined. No operating deficits were funded during 2023 and 2022, respectively.

The general partners and affiliates of the general partners will provide funds to the Tallman Pines I, Ltd. Partnership necessary to pay any operating deficit in the form of a loan to the Partnership. The operating deficit loan shall be interest free and shall be repaid solely as provided in the partnership agreement. The maximum amount of operating deficit loans that the general partners shall be required to have outstanding at any one time is \$400,000. The operating deficit guarantee period begins after achievement of the “break-even date” as defined in the partnership agreement, and ends on the third anniversary of the “break-even date”; break-even operations occurred during 2011. As of December 31, 2023, and 2022, no operating deficit advances are outstanding.

The general partner of Reliance-Progresso Associates, Ltd. is responsible for providing operating deficit loans up to \$436,551 to the Partnership, beginning on the date of stabilization. As of December 31, 2023, and 2022, no operating deficit advances are outstanding.

Guarantees

Guaranty LLC will be used as a guarantor for future developments using the appraised value of College Gardens as the secured asset; this appraised value as of August 2022 was \$10.746 million. Guaranty became a key principal on a \$1.5 million term note for Reliance Progresso in September 2012.

NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)

Guaranty became a guarantor for Ehlinger Apartments LTD for \$1.0 million as required by Wells Fargo for the transfer of the managing general partner interest to BBC Ehlinger Apartments Inc.. Guaranty is also a key principal on an approximately \$1.6 million loan for Oakland Preserve LLC since 2018. Guaranty LLC is a wholly-owned subsidiary of BBC, Inc. and is a blended component unit affiliate of BCHA.

Ground Leases

On March 31, 2004, the Crystal Lakes Redevelopment, Ltd. Partnership entered into a ground lease with BCHA. The lease agreement required annual payments of \$10 during the term, which is from Commencement Date of closing on the Partnership's construction financing of December 28, 2005, through December 28, 2055, the fiftieth anniversary of the Commencement Date. The Partnership is liable for all payments of insurance and utilities that are in connection with the development, construction, and operation of the Project during the term of the lease.

On January 27, 2006, the Highland Gardens, Ltd. Partnership entered into a ground lease with BCHA. The ground lease requires a \$900,000 lump sum payment due 90 days after final amendment execution. The lease agreement requires an annual payment of \$1 during the lease term, which is from the period beginning on the

commencement date and ending on December 31, 2056. The Partnership is liable for all payments of utilities and real estate taxes in connection with the development, construction, and operation of the Project during the term of the lease. As of December 31, 2023, and 2022, \$618,750 and \$637,500, respectively, remained to be expensed on the ground lease.

On January 27, 2006, the Tallman Pines I, Ltd. Partnership entered into a ground lease with BCHA. In 2010, a one-time capitalized lease payment in the amount of \$2,000,000 was paid BCHA pursuant to terms of the lease. Annual payments under the lease total \$10 for each of the fifty years beginning at the closing of the construction loan. The total lease expense will be amortized over the term of the lease using the straight-line method. Upon expiration of the lease, all improvements to the property revert to the owner. The Partnership is responsible for all real estate taxes and maintenance of any improvement during the term of the lease. During 2023 and 2022, \$20,833 and \$20,833, respectively, of amortization expense was incurred and as of December 31, 2023 and 2022, \$1,718,754 and \$1,739,587 remains as prepaid.

On August 5, 2010, the Ehlinger Apartments, Ltd. Partnership entered in to a 65-year ground lease agreement with BCHA. The lease commenced on November 30, 2010, the date of the construction loan closing. The total rent amount over the 65-year term is \$3,000,000. As of December 31, 2023, and 2022, \$3,000,000 has been paid. The entire amount of the lease was recorded as prepaid ground lease upon completion of construction and is being amortized over the 65-year term using the straight-line method. The balance of the prepaid ground lease as of December 31, 2023 and 2022 was \$2,466,665 and \$2,512,819, respectively. During 2023 and 2022, prepaid ground lease expense was \$46,154.

Since these are up to 99-year leases and the initial payments were substantially equal to the market value of the land, the Authority has recognized these prepaid ground leases as sales of land and recognized the cash received as revenue in the year of sale.

NOTE 14 – COMBINING STATEMENTS OF DISCRETE PARTNERSHIPS

**Broward County Housing Authority
Discrete Partnerships
As of December 31, 2023
(with comparative totals for 2022)**

	Highland 2023	Crystal Lakes 2023	Progresso 2023	Ehlinger 2023	Oakland Preserve 2023	Tallman Pines I 2023	Tallman Pines II 2023	Total 2023	Total 2022
ASSETS									
Current Assets:									
Cash and cash equivalents	\$ 18,942	\$ 862,795	\$ 300	\$ 479,547	\$ 318,995	\$ 976,735	\$ 138,187	\$ 2,795,501	\$ 1,984,866
Tenants accounts receivable, net of allowance	11,423	30,048	13,447	5,886	20,252	12,846	210	94,112	44,858
Prepaid expenses	50,016	108,912	32,709	22,750	53,818	80,598	20,344	369,147	231,348
Prepaid land lease	625,902	-	-	2,466,665	698,217	1,721,836	-	5,512,620	5,538,772
Other assets	-	-	4,370	7,850	2,698	-	-	14,918	27,303
Total current assets	706,283	1,001,755	50,826	2,982,698	1,093,980	2,792,015	158,741	8,786,298	7,827,147
Noncurrent assets:									
Restricted cash equivalents	702,592	1,145,296	769,786	1,500,424	592,391	797,313	195,592	5,703,394	5,917,102
Tax credit monitoring fees, net	-	-	40,058	74,272	193,499	-	-	307,829	396,829
Capital assets:									
Land	-	-	2,280,000	3,194,482	-	-	-	5,474,482	2,280,000
Buildings, CIP and equipment	14,438,837	26,847,693	16,491,819	24,391,574	15,248,467	26,092,951	4,940,875	128,452,216	131,163,017
Accumulated depreciation	(6,253,834)	(12,729,417)	(5,598,367)	(10,846,896)	(3,639,019)	(12,766,877)	(2,235,745)	(54,070,155)	(50,300,094)
Capital assets, net	8,185,003	14,118,276	13,173,452	16,739,160	11,609,448	13,326,074	2,705,130	79,856,543	83,142,923
Total assets	9,593,878	16,265,327	14,034,122	21,296,554	13,489,318	16,915,402	3,059,463	94,654,064	97,284,001
LIABILITIES									
Current liabilities:									
Accounts payable	2,804	13,722	50,925	3,131,850	24,840	132,960	16,894	3,373,995	339,725
Tenants security deposits	79,290	255,572	58,739	193,312	95,366	224,899	27,418	934,596	914,602
Accrued interest payable	9,401	21,484	7,977	29,208	7,352	14,654	28,856	118,932	121,154
Mortgages	56,317	166,498	30,079	517,482	33,013	117,488	-	920,877	915,319
Total current liabilities	147,812	457,276	147,720	3,871,852	160,571	490,001	73,168	5,348,400	2,290,800
Noncurrent liabilities:									
Liabilities from restricted assets									
Fee payable to affiliate partner	-	5,500	7,129	-	-	-	-	12,629	12,421
Total liabilities payable from restricted assets	-	5,500	7,129	-	-	-	-	12,629	12,421
Asset management fee	10,130	-	-	-	19,421	-	-	29,551	14,557
Exchange income received in advance	-	-	2,280,448	-	-	-	-	2,280,448	2,093,781
Tax credit exchange program loan	-	-	817,641	1,347,042	-	-	-	2,164,683	3,715,890
Mortgages	1,607,189	8,626,517	1,503,162	4,536,167	1,538,310	3,050,445	3,620,716	24,482,506	26,660,213
Total noncurrent liabilities	1,617,319	8,632,017	4,608,380	5,883,209	1,557,731	3,050,445	3,620,716	28,969,817	32,496,862
Total liabilities	1,765,131	9,089,293	4,756,100	9,755,061	1,718,302	3,540,446	3,693,884	34,318,217	34,787,662
NET POSITION									
Net investment in capital assets	6,521,497	5,325,261	10,822,570	10,338,469	10,038,125	10,158,141	(915,586)	52,288,477	51,851,501
Restricted - reserves	623,302	889,724	711,047	1,307,112	497,025	572,414	168,174	4,768,798	5,002,500
Unrestricted	683,948	961,049	(2,255,595)	(104,088)	1,235,866	2,644,401	112,991	3,278,572	5,642,338
Total Net Position	\$ 7,828,747	\$ 7,176,034	\$ 9,278,022	\$ 11,541,493	\$ 11,771,016	\$ 13,374,956	\$ (634,421)	\$ 60,335,847	\$ 62,496,339

NOTE 14 – COMBINING STATEMENTS OF DISCRETE PARTNERSHIPS (continued)

Broward County Housing Authority Combining Schedules of Revenues, Expenses and Changes in Net Position Discrete Partnerships For the Fiscal Years ended September 30, 2023 (with comparative totals for 2022)									
	Highland 2023	Crystal Lakes 2023	Progresso 2023	Ehlinger 2023	Oakland Preserve 2023	Tallman Pines I 2023	Tallman Pines II 2023	Total Discrete Partnerships 2023	Total Discrete Partnerships 2022
OPERATING REVENUES									
Dwelling rental and other income	\$ 1,081,191	\$ 2,792,543	\$ 770,665	\$ 2,127,998	\$ 1,075,210	\$ 2,512,786	\$ 344,454	\$ 10,704,847	\$ 10,238,081
Total Operating Revenues	1,081,191	2,792,543	770,665	2,127,998	1,075,210	2,512,786	344,454	10,704,847	10,238,081
OPERATING EXPENSES									
General and administrative	280,886	521,067	281,735	527,679	235,884	467,576	79,806	2,394,633	2,274,850
Repairs and maintenance	214,536	564,006	129,196	322,464	226,915	395,221	55,327	1,907,665	1,783,922
Insurance	129,343	347,049	139,363	172,633	111,015	216,518	49,557	1,165,478	646,349
Utilities	94,317	274,067	88,952	290,313	50,431	281,039	33,476	1,112,595	1,075,208
Depreciation/Amortization	372,074	605,941	429,152	811,346	590,314	712,430	133,482	3,654,739	3,712,299
Total Operating Expenses	1,091,156	2,312,130	1,068,398	2,124,435	1,214,559	2,072,784	351,648	10,235,110	9,492,628
OPERATING (LOSS)	(9,965)	480,413	(297,733)	3,563	(139,349)	440,002	(7,194)	469,737	745,453
NON-OPERATING REVENUES (EXPENSES)									
Investment revenue interest (expense)	(129,410)	(286,871)	(94,071)	(366,285)	(109,861)	(180,407)	(42,012)	(1,208,917)	(1,276,225)
Other revenue (expense)	(101,500)	195,500	94,918	147,849	(86,547)	(408,831)	(42,773)	(201,384)	(1,109,317)
Total Non-operating Revenues, net	(230,910)	(91,371)	847	(218,436)	(196,408)	(589,238)	(84,785)	(1,410,301)	(2,385,542)
CAPITAL CONTRIBUTIONS									
Capital contribution /(contribution)	(32,390)	(280,282)	-	(301,989)	(163,232)	(46,531)	(4,504)	(828,928)	(1,789,041)
Total Capital Contributions	(32,390)	(280,282)	-	(301,989)	(163,232)	(46,531)	(4,504)	(828,928)	(1,789,041)
CHANGE IN NET POSITION	(273,265)	108,760	(296,886)	(516,862)	(498,989)	(195,767)	(96,483)	(1,769,492)	(3,429,130)
NET POSITION, Beginning	8,102,012	7,458,274	9,574,908	12,058,355	12,270,005	13,570,723	(537,938)	62,496,339	65,985,616
Add (deduct) net effect of GASB 65 (note 1)	-	-	-	-	-	-	-	-	(60,147)
NET POSITION, Ending	\$ 7,828,747	\$ 7,567,034	\$ 9,278,022	\$ 11,541,493	\$ 11,771,016	\$ 13,374,956	\$ (634,421)	\$ 60,726,847	\$ 62,496,339

NOTE 15 - SUBSEQUENT DISCRETE PARTNERSHIP INFORMATION

As of December 31, 2023, significant unaudited information for the partnerships is presented below:

	Units	Capital Asset	Mortgage	Equity	Tax Credit Funding
Tallman Pines I	176	\$ 13,326,074	\$ 3,167,933	\$ 13,374,956	\$ 24,350,000
Tallman Pines II	24	2,705,130	3,620,716	(634,421)	1,958,270
Highland Gardens	100	8,185,003	1,663,506	7,828,747	15,000,000
Ehlinger	155	16,739,160	6,400,691	11,541,493	25,260,000
Oakland Preserve	80	11,609,448	1,571,323	11,771,016	14,264,560
Progresso	76	13,173,452	2,350,882	9,278,022	19,450,850
Crystal Lakes	190	14,118,276	7,458,274	7,458,274	16,750,000
Totals	801	\$ 79,856,543	\$ 26,233,325	\$ 60,618,087	\$ 117,033,680

NOTE 16 - SUBSEQUENT EVENTS

The BCHA Management evaluated subsequent events through September 15, 2025, the date the financial statements were available to be issued and has determined that no additional material event has occurred that would require disclosure. The recent large increase in the inflation rate and sharp rise in rents will have an impact on our operations but offsetting revenues and potential additional HUD funding may help to mitigate the effects of these economic challenges.

On January 27, 2025, the OMB of the United States Federal Government instituted a pause (freeze) on the disbursement of federal grant and loan funds, which became effective on January 28, 2025. The extent to which the funding freeze impacts our operations, financial results, and cash flows, both current and future, will depend on future developments, which are highly uncertain and cannot be predicted with any measure of certainty or probability. As a result, the entity is unable to estimate what impact, if any, the funding freeze has on September 30, 2024, financial statements or our future operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

REQUIRED SUPPLEMENTAL INFORMATION

Broward County Housing Authority

SCHEDULE OF CHANGES IN PROPORTIONAL SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS - LAST TEN FISCAL YEARS

Year ended September 30, 2024

FLORIDA RETIREMENT SYSTEM:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	0.01525%	0.01478%	0.01478%	0.01478%	0.01233%	0.01164%	0.01260%	0.01348%	0.01586%	0.01530%
Proportional share percentage	0.01525%	0.01478%	0.01478%	0.01478%	0.01233%	0.01164%	0.01260%	0.01348%	0.01586%	0.01530%
Net pension liability	\$ 5,421,553	\$ 6,075,038	\$ 6,075,038	\$ 5,500,755	\$ 931,645	\$ 5,043,202	\$ 4,339,326	\$ 4,060,550	\$ 4,690,644	\$ 3,869,605
Covered payroll	6,484,394	6,484,394	6,484,394	5,742,071	5,374,000	5,119,000	4,952,801	4,792,677	5,301,421	5,044,264
Net pension liability as percentage of covered payroll	83.61%	93.69%	93.69%	95.80%	17.34%	98.52%	87.61%	84.72%	88.48%	76.71%
Plan fiduciary net position as a percentage of total pension liability	82.89%	82.89%	82.89%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%
Contributions required by the plan in relation to percentage of covered payroll	9.73%	9.73%	9.73%	10.99%	9.90%	8.85%	8.62%	10.13%	9.89%	9.80%
Contractually required contribution	\$ 630,851	\$ 630,851	\$ 630,851	\$ 630,851	\$ 531,868	\$ 452,914	\$ 426,745	\$ 485,570	\$ 524,050	\$ 494,581
Contributions in relation to the contractually required contribution	(630,851)	(630,851)	(630,851)	(630,851)	(531,868)	(452,914)	(426,745)	(524,050)	(494,581)	(507,162)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (38,480)	\$ 29,469	\$ (12,581)

*All information is on a measurement year basis.

Notes to schedule:

Benefit changes: There have been no changes in benefit provisions.

Change of Assumptions: In 2024, the assumed investment return remained at 6.70%. Based on the Society of Actuaries' most recently published analysis and guidance on projected national mortality improvements, the mortality improvement scale was changed from MP2018 to MP2021.

The Plan's fiduciary net position as a percentage of the total pension liability is published in the FRS Annual Comprehensive Financial Report

HEALTH INSURANCE SUBSIDY:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	0.01618%	0.01561%	0.01561%	0.01453%	0.01450%	0.01467%	0.01467%	0.01606%	0.01530%	0.01630%
Proportional share percentage	0.01618%	0.01561%	0.01561%	0.01453%	0.01450%	0.01467%	0.01467%	0.01606%	0.01530%	0.01630%
Net pension liability	\$ 2,396,002	\$ 2,568,928	\$ 1,653,760	\$ 1,782,668	\$ 1,770,694	\$ 1,552,909	\$ 1,552,909	\$ 1,717,149	\$ 1,781,493	\$ 1,626,330
Covered payroll	6,484,394	6,484,394	6,484,394	5,742,071	5,119,000	4,952,801	4,792,677	5,301,421	5,044,264	5,113,573
Net pension liability as percentage of covered payroll	36.95%	39.62%	25.50%	31.05%	34.59%	31.35%	32.40%	32.39%	35.32%	31.80%
Plan fiduciary net position as a percentage of total pension liability	4.81%	4.81%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.99%
Contributions required by the plan in relation to percentage of covered payroll	1.32%	1.46%	1.46%	1.91%	1.82%	1.77%	1.66%	1.60%	1.32%	1.19%
Contractually required contribution	\$ 85,424	\$ 94,477	\$ 94,477	\$ 109,519	\$ 93,262	\$ 87,873	\$ 79,567	\$ 84,991	\$ 66,738	\$ 60,959
Contributions in relation to the contractually required contribution	(85,424)	(94,477)	(94,477)	(109,519)	(93,262)	(87,873)	(84,991)	(66,738)	(60,959)	(60,959)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,424)	\$ 18,253	\$ 5,779	\$ -

*All information is on a measurement year basis.

Notes to schedule:

Benefit changes: There have been no changes in benefit provisions.

Change of Assumptions: In 2024, the assumed investment return remained at 6.70%. Based on the Society of Actuaries' most recently published analysis and guidance on projected national mortality improvements, the mortality improvement scale was changed from MP2018 to MP2021.

The Plan's fiduciary net position as a percentage of the total pension liability is published in the HIS Annual Comprehensive Financial Report

OTHER SUPPLEMENTAL INFORMATION

Broward County Housing Authority
Combining Schedules of Net Position
Primary Government and Blended Affiliates
As of September 30, 2024
(with comparative totals for 2023)

	Multi-Family	Housing Choice Voucher Program	Non-HCV Assisted Housing Programs	Other Enterprise	Eliminations	Total 2024	Total 2023
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 61,032	\$ 441,462	\$ 328,630	\$ 15,806,367	\$ -	\$ 16,637,491	\$ 11,614,348
Restricted cash equivalents	-	-	-	-	-	-	284,988
Receivables:							
Accounts receivables	1,121	147,504	118,590	2,352,071	-	2,619,286	644,983
Intergovernmental	-	-	569,037	-	-	569,037	2,048,991
Tenants, net of allowance	92,567	221,946	-	46,558	-	361,071	144,440
Prepaid expenses	189,096	81,565	-	123,995	-	394,656	377,299
Other assets	-	-	-	-	-	-	-
Total current assets	343,816	892,477	1,016,257	18,328,991	-	20,581,541	15,115,049
Noncurrent assets:							
Restricted cash equivalents	2,646,559	-	-	166,991	-	2,813,550	5,042,314
Investments	-	6,167,465	-	21,827,436	-	27,994,901	26,468,716
Capital assets:							
Land	2,829,288	602,470	-	7,065,365	-	10,497,123	10,497,123
Intangible Assets	-	324,404	-	-	-	324,404	324,404
Buildings, CIP and equipment	32,741,647	4,445,756	-	14,667,204	-	51,854,607	50,503,923
Accumulated depreciation	(29,437,473)	(3,114,455)	-	(5,883,475)	-	(38,435,403)	(37,183,445)
Capital assets, net	6,133,462	2,258,175	-	15,849,094	-	24,240,731	24,142,005
Total assets	9,123,837	9,318,117	1,016,257	56,172,512	-	75,630,723	70,768,084
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pension costs	435,221	2,272,699	-	2,514,478	-	5,222,398	4,602,887
Total deferred outflows of resources	435,221	2,272,699	-	2,514,478	-	5,222,398	4,602,887
LIABILITIES							
Current liabilities:							
Accounts payable	229,888	794,808	713,888	1,373,679	-	3,112,263	1,155,441
Accrued wages payable	35,001	95,102	6,236	61,870	-	198,209	148,771
Tenants Security Deposits	120,933	-	-	166,991	-	287,924	285,485
Unearned Revenue	-	466,455	-	-	-	466,455	284,822
Current portion capitalized lease obligation	12,000	-	-	100,850	-	112,850	60,945
Accrued compensated absences	15,000	15,000	-	-	-	30,000	30,000
HUD liability	-	13,589	6,556	-	-	20,145	182,959
Total current liabilities	412,822	1,384,954	726,680	1,703,390	-	4,227,846	2,148,423
Noncurrent liabilities:							
Liabilities from restricted assets							
Family Self-sufficiency Program escrow	-	468,608	24	-	-	468,632	504,273
Total liabilities payable from restricted assets	-	468,608	24	-	-	468,632	504,273
Mortgages	-	-	-	-	-	-	-
Capitalized lease obligation	43,066	-	-	322,989	-	366,055	84,999
Net pension liability	703,445	3,361,594	-	3,752,516	-	7,817,555	8,643,964
Accrued compensated absences	114,792	332,842	15,194	318,961	-	781,789	833,410
Total noncurrent liabilities	861,303	4,163,044	15,218	4,394,466	-	9,434,031	10,066,646
Total liabilities	1,274,125	5,547,998	741,898	6,097,856	-	13,661,877	12,215,069
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pension costs	301,447	1,671,304	-	1,838,728	-	3,811,479	2,374,244
Total deferred inflows of resources	301,447	1,671,304	-	1,838,728	-	3,811,479	2,374,244
NET POSITION							
Net investment in capital assets	6,133,462	2,258,175	-	15,849,094	-	24,240,731	23,996,061
Restricted- replacement reserves	(120,933)	-	-	166,991	-	46,058	3,945,621
Restricted-Housing Assistance Payments	-	(468,608)	-	-	-	(468,608)	591,923
Unrestricted	1,970,957	2,581,947	274,359	34,734,321	-	39,561,584	32,248,053
Total Net Position	\$ 7,983,486	\$ 4,371,514	\$ 274,359	\$ 50,750,406	\$ -	\$ 63,379,765	\$ 60,781,658
Total Liabilities and partners equity							
	\$ 9,559,058	\$ 11,590,816	\$ 1,016,257	\$ 58,686,990	\$ -	\$ 80,853,121	\$ 75,370,971

Broward County Housing Authority
Combining Schedules of Revenues, Expenses and Change in Net Position
Primary Government and Blended Affiliates
As of September 30, 2024
(with comparative totals for 2023)

	Multi-Family	Housing Choice Voucher Program	Non-HCV Assisted Housing Programs	Other Enterprise	Eliminations	Total 2024	Total 2023
OPERATING REVENUES							
Housing Assistance Payments	\$ -	\$ 112,364,797	\$ 5,577,188	\$ -	\$ -	\$ 117,941,985	\$ 106,548,303
Housing Choice Voucher Program administrative fees	-	6,866,919	637,719	-	-	7,504,638	7,770,108
Dwelling rental	1,595,356	-	-	2,139,658	-	3,735,014	3,381,042
Operating subsidy	1,854,230	54,865	-	-	-	1,909,095	1,836,418
Other revenue (Port-in)	-	8,496,324	2,012	8,811,314	-	17,309,650	14,211,754
Total OPERATING REVENUES	3,449,586	127,782,905	6,216,919	10,950,972	-	148,400,382	133,747,625
OPERATING EXPENSES							
Housing Assistance Payments	-	113,149,599	8,097,529	-	-	121,247,128	107,209,133
General and administrative	1,050,339	7,460,531	939,294	8,037,615	(1,808,873)	15,678,906	12,142,698
Repairs and maintenance	2,047,015	147,989	-	745,937	-	2,940,941	2,835,229
Tenants' services	84,011	-	-	3,752	-	87,763	92,209
Utilities	192,373	49,999	-	164,219	-	406,591	376,071
Insurance	366,517	173,763	2,044	226,840	-	769,164	602,149
Depreciation	819,191	127,670	-	491,756	-	1,438,617	1,461,314
Pension expense	-	-	-	-	-	-	-
Other expense (Port-in)	-	8,339,027	-	-	-	8,339,027	13,609,157
Total OPERATING EXPENSES	4,559,446	129,448,578	9,038,867	9,670,119	(1,808,873)	150,908,137	138,327,960
OPERATING LOSS)	(1,109,860)	(1,665,673)	(2,821,948)	1,280,853	1,808,873	(2,507,755)	(4,580,335)
NON-OPERATING REVENUES (EXPENSES)							
Grants	-	-	2,979,416	-	-	2,979,416	118,898
Interest income (expense)	69,093	365,344	2,573	1,401,825	-	1,838,835	826,176
Affordable housing investment revenue	-	-	-	-	-	-	2,822,795
Other revenue	-	65,887	3,925	1,931,782	(1,808,873)	192,721	191,840
Gain (loss on disposal capital assets)	-	13,630	-	81,261	-	94,891	(192,157)
Total NON-OPERATING REVENUES (EXPENSES)	69,093	444,861	2,985,914	3,414,868	(1,808,873)	5,105,863	3,767,552
INCOME (LOSS)							
BEFORE CAPITAL CONTRIBUTIONS	(1,040,767)	(1,220,812)	163,966	4,695,721	-	2,598,108	(812,783)
CAPITAL CONTRIBUTIONS							
Capital grants	-	-	-	-	-	-	-
Total CAPITAL CONTRIBUTIONS	-	-	-	-	-	-	-
OTHER FINANCING SOURCES AND USES							
Operating transfers in	741,418	-	-	4,686,280	-	5,427,698	458,000
Operating transfers out	(290,133)	(5,000,000)	-	(137,565)	-	(5,427,698)	(458,000)
Total OTHER FINANCING SOURCES AND USES	451,285	(5,000,000)	-	4,548,715	-	-	-
CHANGE IN NET POSITION	(589,482)	(6,220,812)	163,966	9,244,436	-	2,598,108	(812,783)
NET POSITION, Beginning	8,798,183	10,406,367	110,393	41,505,190	-	60,820,133	61,396,461
Prior period adjustment as adjusted	-	(38,476)	-	-	-	(38,476)	197,980
NET POSITION, Ending	\$ 8,208,701	\$ 4,147,079	\$ 274,359	\$ 50,749,626	\$ -	\$ 63,379,765	\$ 60,781,658

Broward County Housing Authority
Combining Schedules of Cash Flow
Primary Government and Blended Affiliates
For the Fiscal Years ended September 30, 2024
(with comparative totals for 2023)

	Multifamily	HCV	Non-HCV	Other Enterprise	Elimination	Total 2024	Total 2023
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from federal and local agencies	\$ -	\$ 129,077,996	\$ 6,346,917	\$ 8,811,314	\$ -	\$ 144,236,227	\$ 129,949,040
Housing assistance payments	-	(121,513,246)	(8,271,364)	-	-	(129,784,610)	(120,133,678)
Cash paid to suppliers and contractors	3,512,517	(7,370,738)	(836,003)	(7,764,774)	2,308,873	(10,150,125)	(7,606,773)
Payments to employees	(7,425,554)	(314,035)	(5,073)	(456,978)	-	(8,201,640)	(10,283,091)
Other payments-dwelling rental, receipts, Affordable Housing cash flow	3,416,520	(132,952)	(115,881)	881,797	(500,000)	3,549,484	5,564,583
Net cash from/ (used in) operating activities	(496,517)	(252,975)	(2,881,404)	1,471,359	1,808,873	(350,664)	(2,509,919)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Operational grants	-	-	2,979,416	-	-	2,979,416	118,898
Other revenues and receipts	-	65,887	3,925	1,931,782	(1,808,873)	192,721	42,578
Net cash provided by non-capital financing	-	65,887	2,983,341	1,931,782	(1,808,873)	3,172,137	161,476
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase of capital assets	91,168	(649,315)	-	(219,106)	-	(777,253)	(888,072)
Proceeds from sale of capital assets	-	13,630	-	255,295	-	268,925	-
Other capital asset related activity	-	-	42,216	154,033	-	196,249	-
Net cash from/ (used in) capital and related financing	91,168	(635,685)	42,216	190,222	-	(312,079)	(888,072)
CASH FLOWS FROM INVESTING ACTIVITIES							
Deposit in reserve for replacements	-	-	-	-	-	-	637,186
Affordable housing investment income	-	-	-	-	-	-	2,822,795
Purchase of investments	-	(7,988,035)	-	(8,574,096)	-	(16,562,131)	7,865,693
Sale of investments	-	3,559,853	-	12,689,628	-	16,249,481	-
Interest income on investment	69,093	365,344	2,573	1,401,825	-	1,838,835	1,094,400
Net cash provided by (used in) investing activities	69,093	(4,062,838)	2,573	5,517,357	-	1,526,185	12,151,850
Net increase increase in cash and cash equivalents	(336,256)	(4,885,611)	146,726	9,110,720	-	4,035,579	8,915,335
Cash and cash equivalents beginning of year	3,043,847	11,494,538	181,904	28,690,077	-	43,410,366	34,495,031
Cash and cash equivalents end of year	\$ 2,707,591	\$ 6,608,927	\$ 328,630	\$ 37,800,797	\$ -	\$ 47,445,945	\$ 43,410,366
Reconciliation of operating loss to net cash used in operating activities:							
Operating profit/(loss)	\$ (1,335,075)	\$ (1,441,234)	\$ (2,821,948)	\$ 1,281,631	\$ 1,808,873	\$ (2,507,753)	\$ (4,580,335)
Adjustments to reconcile operating loss to net cash used in operating activities:							
Depreciation	819,191	127,670	-	491,756	-	1,438,617	1,461,314
(Increase) decrease in:							
Receivables	49,035	980,506	14,117	(1,254,638)	(500,000)	(710,980)	3,460,067
Prepaid expenses	524	(3,335)	-	(14,546)	-	(17,356)	39,859
Increase (decrease) in:							
Accounts payable	(41,169)	68,992	107,279	958,285	500,000	1,593,386	(3,055,867)
Accrued expenses	9,067	39,046	(7,017)	8,342	-	49,438	6,345
HUD liability	-	11,021	(173,835)	-	-	(162,814)	134,097
Family Self-Sufficiency escrow	-	(35,641)	-	-	-	(35,641)	16,203
Tenants deposits	1,910	-	-	529	-	2,439	8,398
	\$ (496,517)	\$ (252,975)	\$ (2,881,404)	\$ 1,471,359	\$ 1,808,873	\$ (350,664)	\$ (2,509,919)

Broward County Housing Authority
Combining Schedules of Net Position
Blended Affiliates
As of September 30, 2024

	Building Better Communities, Inc.	McCan Communities, Inc.	Guaranty, LLC	Multi-Family	Other non-COCC Enterprise	Total 2024
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 29,897,184	\$ 57,251	\$ (143,429)	\$ 61,032	\$ (28,827,784)	\$ 1,044,254
Receivables:						
Accounts receivables	1,757,440	-	-	1,121	448,672	2,207,233
Intergovernmental	-	-	-	-	-	-
Tenants, net of allowance	1,055	-	29,865	92,567	15,638	139,125
Prepaid expenses	3,840	1,271	38,862	189,096	65,511	298,580
Total current assets	31,659,519	58,522	(74,702)	343,816	(28,297,963)	3,689,192
Noncurrent assets:						
Restricted cash equivalents	-	-	2,531,995	2,646,559	32,696,878	\$ 37,875,432
Capital assets:						
Land	-	-	193,600	2,829,288	6,871,765	9,894,653
Buildings, CIP and equipment	175,234	-	4,476,589	32,741,647	8,801,321	46,194,791
Accumulated depreciation	(40,718)	-	(2,891,173)	(29,437,473)	(2,425,910)	(34,795,274)
Capital assets, net	134,516	-	1,779,016	6,133,462	13,247,176	21,294,170
Total assets	31,794,035	58,522	4,236,309	9,123,837	17,646,091	62,858,794
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pension costs	386,854	-	-	435,216	(105,316)	716,754
Total deferred outflows of resources	386,854	-	-	435,216	(105,316)	716,754
LIABILITIES						
Current liabilities:						
Accounts payable	208,473	100	100,587	230,797	947,734	1,487,691
Current capitalized lease obligation	-	-	-	12,000	(12,000)	-
Tenants' security deposits	-	-	78,349	120,933	88,642	287,924
Accrued wages payable	4,503	-	8,610	50,001	5,907	69,021
Total current liabilities	212,976	100	187,546	413,731	1,030,283	1,844,636
Noncurrent liabilities:						
Capitalized lease obligation	-	-	-	43,066	(43,066)	-
Net pension liability	625,285	-	-	703,445	140,490	1,469,220
Accrued compensated absences	-	-	41,188	114,792	(1)	155,979
Total noncurrent liabilities	625,285	-	41,188	861,303	97,423	1,625,199
Total liabilities	838,261	100	228,734	1,275,034	1,127,706	3,469,835
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pension costs	267,907	-	-	301,447	(244,328)	325,026
Total deferred inflows of resources	267,907	-	-	301,447	(244,328)	325,026
NET POSITION						
Net investment in capital assets	134,516	-	1,779,016	6,078,396	13,302,242	21,294,170
Restricted- replacement reserves	-	-	2,453,646	2,525,626	32,608,236	37,587,508
Unrestricted	30,940,205	58,422	(225,087)	(621,450)	(29,253,081)	899,009
Total Net Position	\$ 31,074,721	\$ 58,422	\$ 4,007,575	\$ 7,982,572	\$ 16,657,397	\$ 59,780,687

Broward County Housing Authority
Combining Schedules of Revenues, Expenses and Changes in Net Position
Blended Affiliates
For the Year Ended September 30, 2024

	Building Better Communities, Inc.	McCan Communities, Inc.	Guaranty, LLC	Multi-family	Other non-COCC Enterprise	Total 2024
OPERATING REVENUES						
Dwelling rental	\$ -	\$ -	\$ 1,203,349	\$ 1,595,356	\$ 936,309	\$ 3,735,014
Operating subsidy	-	-	-	1,854,230	-	1,854,230
Other revenue (Port-in)	-	-	-	-	-	-
Total Operating Revenues	-	-	1,203,349	3,449,586	936,309	5,589,244
OPERATING EXPENSES						
Housing assistance payments	-	-	-	-	-	-
General and administrative	2,551,954	3,811	317,932	1,642,076	2,831,524	7,347,297
Repairs and maintenance	17,301	-	336,299	2,047,015	365,750	2,766,365
Tenants' services	-	-	3,701	84,011	51	87,763
Utilities	-	-	80,473	192,373	75,330	348,176
Depreciation	14,777	-	173,684	819,191	251,909	1,259,561
Pension expense	-	-	-	-	-	-
Total Operating Expenses	2,584,032	3,811	912,089	4,784,666	3,524,564	11,809,162
OPERATING (LOSS)	(2,584,032)	(3,811)	291,260	(1,335,080)	(2,588,255)	(6,219,918)
NON-OPERATING REVENUES (EXPENSES)						
Grants	-	-	-	-	-	-
Investment revenue/interest (expense)	(1,463,154)	1,890	114,962	69,093	2,676,880	1,399,671
Other revenue/(expense)	5,468,220	-	-	-	2,495,293	7,963,513
Gain/(loss) on disposal of capital assets	-	-	6,324	-	61,521	67,845
Total nonoperating Revenues, net	4,005,066	1,890	121,286	69,093	5,233,694	9,431,029
INCOME (LOSS)	1,421,034	(1,921)	412,546	(1,265,987)	2,645,439	3,211,111
CAPITAL CONTRIBUTIONS						
Capital grants	-	-	-	-	-	-
Total Capital Contributions	-	-	-	-	-	-
OTHER FINANCING SOURCES AND USES						
Operating transfers in	5,000,000	-	-	741,418	(313,720)	5,427,698
Operating transfers out	(30,222)	-	-	(290,133)	(107,343)	(427,698)
Total Other Financing Sources and Uses	4,969,778	-	-	451,285	(421,063)	5,000,000
CHANGE IN NET POSITION	6,390,812	(1,921)	412,546	(814,702)	2,224,376	8,211,111
NET POSITION, Beginning						
As previously stated	24,683,909	60,343	3,595,029	8,797,274	14,119,301	51,255,856
Add (deduct) prior period adjustments	-	-	-	-	-	-
As adjusted	24,683,909	60,343	3,595,029	8,797,274	14,119,301	51,255,856
NET POSITION, Ending	<u>\$ 31,074,721</u>	<u>\$ 58,422</u>	<u>\$ 4,007,575</u>	<u>\$ 7,982,572</u>	<u>\$ 16,343,677</u>	<u>\$ 59,466,967</u>

Broward County Housing Authority
Combining Schedules of Cash Flows
Blended Affiliates
For the year ended September 30, 2024

	Building Better Communities, Inc.	McCan Communities, Inc.	Guaranty, LLC	Multi-family	Other non-COCC Enterprise	Total 2023
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from federal and local agencies	\$ -	\$ -	\$ -	\$ 1,854,230	\$ -	1,854,230
Cash paid to suppliers and contractors	(2,505,964)	(5,082)	(351,410)	(2,484,432)	(4,959,386)	(10,306,274)
Payments to employees	(144,233)	-	(314,594)	(1,477,257)	(231,046)	(2,167,130)
Other payments-dwelling rental and receipts	(439,339)	-	1,174,994	1,646,301	3,810,687	6,192,643
Net cash (used in) operating activities	(3,089,536)	(5,082)	508,990	(461,158)	(1,379,745)	(4,426,531)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operational grants	-	-	-	-	-	-
Other revenues and receipts	4,005,066	1,890	114,962	69,093	5,172,173	9,363,184
Net cash provided by non-capital financing	4,005,066	1,890	114,962	69,093	5,172,173	9,363,184
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition (sale/reclassification) of capital assets	139,410	-	71,511	299,877	12,458	523,256
Contribution (to)/from parent	4,969,778	-	-	451,285	(421,063)	5,000,000
Net cash (used in) capital and related financing	5,109,188	-	71,511	751,162	(408,605)	5,523,256
CASH FLOWS FROM INVESTING ACTIVITIES						
Net deposit in reserve for replacements	-	-	-	869,460	-	869,460
Interest income on investment	(1,463,154)	1,890	114,962	69,093	2,676,880	1,399,671
Net cash provided by (used in) investing activities	(1,463,154)	1,890	114,962	938,553	2,676,880	2,269,131
Net (decrease) increase in cash and cash equivalents	4,561,564	(1,302)	810,425	1,297,650	6,060,703	12,729,040
Cash and cash equivalents beginning of year	23,972,723	60,443	2,029,036	3,043,847	119,154	29,225,203
Cash and cash equivalents end of year	\$ 28,534,287	\$ 59,141	\$ 2,839,461	\$ 4,341,497	\$ 6,179,857	\$ 41,954,243
Reconciliation of operating loss to net cash used in operating activities:						
Operating loss	\$ (2,584,032)	\$ (3,811)	\$ 291,260	\$ (1,340,579)	\$ (2,593,142)	(6,230,304)
Adjustments to reconcile operating loss to net cash used in operating activities:						
Depreciation	14,777	-	173,684	819,191	251,909	1,259,561
(Increase) decrease in:						
Receivables	(439,339)	-	(28,144)	49,035	2,873,638	2,455,190
Prepaid expenses	3	(1,271)	105	524	(13,555)	(14,194)
Increase (decrease) in:						
Accounts payable	(16,860)	-	80,436	(306)	(1,974,386)	(1,911,116)
Accrued expenses	(64,085)	-	(8,140)	9,067	75,051	11,893
Unearned revenue	-	-	-	-	-	-
Family Self-Sufficiency escrow	-	-	-	-	-	-
Tenants deposits	-	-	(211)	1,910	740	2,439
	\$ (3,089,536)	\$ (5,082)	\$ 508,990	\$ (461,158)	\$ (1,379,745)	\$ (4,426,531)

SUPPLEMENTAL SECTION

COMPLIANCE SECTION

Broward County Housing Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended September 30, 2024

Federal Grantor/Pass-through Grantor

<u>Program or Cluster Title</u>	<u>ALN #</u>	<u>Grant/ Contract #</u>	<u>Expenditures</u>
US Department of Housing and Urban Development			
Housing Voucher Cluster			
Section 8 Housing Choice Voucher (HCV) Program	14.871	N/A	\$ 116,206,532
Emergency Housing Voucher Funding	14.EHV	N/A	3,059,085
Mainstream Voucher Program	14.879	N/A	3,285,735
Total Housing Voucher Cluster			<u>122,551,352</u>
Section 8 Project-Based Cluster			
Section 8 Housing Assistance Payments Program	14.195	N/A	\$ 1,854,230
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	FL079MR0002	2,929,172
Total Section 8 Project-Based Cluster			<u>4,783,402</u>
Family Self Sufficiency (FSS) Coordinator Program	14.896	FSS20FL2966-01-00	364,007
Family Self Sufficiency (FSS) Forfeitures Escrow	14.EFA	N/A	8,982
Pass-through entity			
Broward County			
Community Development Block Grants- Non Entitlement Programs	14.228	N/A	64,289
Shelter Plus - Continuum of Care Program	14.267	FL0259L4D011811/11912	2,464,562
Home Investment Partnership Program	14.239	N/A	-
Total US Department of Housing and Urban Development Pass Through			<u>2,528,851</u>
Total Expenditures of Federal Awards			<u>\$ 130,314,594</u>

See notes to schedule of expenditures of federal awards

**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***

Board of Commissioners
Broward County Housing Authority
Lauderhill, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Broward County Housing Authority (“BCHA”), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise BCHA’s basic financial statements, and have issued our report thereon dated September 15, 2025.

Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on BCHA’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether BCHA'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.

Miramar, Florida
September 15, 2025

BCA Watson River LLP

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

Board of Commissioners
Broward County Housing Authority
Lauderdale Lakes, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Broward County Housing Authority (“BCHA”)’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of BCHA’s major federal programs for the year ended September 30, 2024. BCHA’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, BCHA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of BCHA and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of BCHA’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to BCHA’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on BCHA's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about BCHA's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 BCHA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of BCHA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of BCHA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Miramar, Florida
September 15, 2025

BCA Watson Rice LLP

Broward County Housing Authority

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended September 30, 2024

NOTE 1. - GENERAL

The Schedule of Expenditures of Federal Awards included herein represents all Federal grant awards of Broward County Housing Authority (the "Authority") over which the Authority exercised direct operating control for the year ended September 30, 2024.

NOTE 2. - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 3. - PORT-IN'S SECTION 8 HOUSING CHOICE VOUCHER PROGRAM (14.871)

Not included are \$1 of Port-in expenses included in the statement of revenue and expenses based on a directive from HUD Real Estate Assessment Center.

NOTE 4. - RAD CONVERSION OF LOW-INCOME PUBLIC HOUSING (14.195)

The Authority has converted the existing Low-Income Public Housing utilizing the RAD program and those associated expenditures are reflected in the above Schedule of Expenditures of Federal Awards and those expenditures are being subsidized by HUD under separate legal entities, in the amount of \$1,854,230 under ALN# 14.195.

NOTE 5. - INDIRECT COST RATE

The Authority did not elect to use the 10-percent de minimis indirect cost rate.

BROWARD COUNTY HOUSING AUTHORITY, INC.
SEPTEMBER 30, 2024
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major program:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for the major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs:

ALN Number(s)	Name of Federal Program or Cluster
14.871, 14.879, 14.EHV	Section 8 Housing Choice Voucher

Dollar threshold used to distinguish between type A and type programs: \$3,909,400

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

BROWARD COUNTY HOUSING AUTHORITY, INC.
SEPTEMBER 30, 2024
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT AS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

None

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

BROWARD COUNTY HOUSING AUTHORITY, INC.
SEPTEMBER 30, 2023
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None