

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY
(A Component Unit of Broward County, Florida)**

ANNUAL FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

	PAGE(S)
Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-9
 AUTHORITY-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position	10
Statement of Activities.....	11
 FUND FINANCIAL STATEMENTS:	
Balance Sheet - Governmental Fund	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund.....	13
Notes to the Financial Statements.....	14-38
 REQUIRED SUPPLEMENTARY INFORMATION:	
Budget Comparison Schedule.....	39
Notes to the Budget Comparison Schedule.....	40
Schedule of Proportionate Share of the Net Pension Liability Florida Retirement System Pension Plan.....	41
Schedule of Contributions Florida Retirement System Pension Plan	42
Schedule of Proportionate Share of the Net Pension Liability Florida Retirement System Health Insurance Subsidy	43
Schedule of Contributions Florida Retirement System Health Insurance Subsidy	44
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 <i>Government Auditing Standards</i>	45-46
Independent Accountant’s Report on Compliance with the Requirements of Section 218.415 Florida Statutes	47
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	48-49



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Housing Finance Authority
Broward County, Florida

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the governmental fund of the Housing Finance Authority of Broward County, Florida ("the Authority"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the governmental fund of the Authority, as of September 30, 2025 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the financial statements of the Authority, are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and governmental fund of Broward County, Florida that is attributable to the transactions of the Authority. They do not purport to, and do not, present fairly the financial position of Broward County, Florida, as of September 30, 2025 the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of proportionate net pension liability and schedules of retirement contributions on pages 4-9 and 39-44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority' 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 reporting and compliance.



Miramar, Florida
February 20, 2026

The Housing Finance Authority of Broward County, Florida (“the Authority”) was established in 1979 by Ordinance of Broward County, Florida (County) Board of County Commissioners, to provide funding for affordable housing to very low, low, and moderate income households in the County. The Housing Finance and Community Redevelopment Division (“HFCRD”) administers all programs of the Authority as well as various affordable housing programs for Broward County. The Authority is a quasi-governmental agency governed by a nine (9) member board appointed by the Broward County Board of County Commissioners in accordance with Florida State Statute. To date, the Authority has provided single family homes, town homes, condominiums, and rental units to Broward County residents through the organization of single family and multi-family tax-exempt bond issues and a consortium of local lenders.

OVERVIEW

A number of activities are administered by the Authority to accomplish its goals:

Single Family Bond Program

The Single Family Bond Program features low, fixed-rate mortgages and down payment assistance to qualified buyers. All options feature a 30-year, fixed rate first mortgage with no origination fees and with any discounts being charged to the loans. Several modified mortgages may reflect terms longer than 30 years. The first mortgage and note are exempt from documentary stamps and intangible tax.

Multi-Family Bond Program

Multi-family housing revenue bonds are issued by the Authority to finance the construction or acquisition of developments which are intended for occupancy in part by persons of low, moderate, or middle income. Developers who are approved after submission of an application and applicable fees utilize the proceeds of the bonds to acquire, renovate and/or construct multi-family housing facilities. The bond issues are fixed or variable rates with various terms.

Mortgage Credit Certificates

The Mortgage Credit Certificate Program (“MCC”) offers a federal income tax credit, not a loan, that may be used in conjunction with the first mortgage (except a mortgage revenue bond loan) to help qualify the buyer and provide additional income for the life of the loan. An MCC helps qualify homebuyers by increasing take home pay. This credit may be available to prospective homebuyers who meet income and sales price limits.

Single Family Revolving Line of Credit

The Single-Family Line of Credit (“LOC”) is available to a Borrower who has entered into a LOC agreement with the Authority. The Borrower will lend the LOC proceeds to agencies or contractors for construction and/or equipping of single-family residential units (“Projects”) located within Broward County, which will be sold to, and occupied by income eligible households. Income eligible households must be comprised of one or more natural persons or a family that has a total annual gross household income that does not exceed 120% of the median annual income adjusted for family size, for households within Broward County. LOC terms generally require that Projects must be owned by a governmental entity or non-profit corporation and are part of a governmental infill housing program.

Single Family Revolving Line of Credit (cont'd)

Additionally, interest rates are capped and the sale price on Project homes shall not exceed 90 percent of the median area purchase price in the area wherein the single-family home is located. Single-family homes may include detached homes, townhouses, or condominiums.

Management's Discussion and Analysis is being presented to provide additional information regarding the activities of the Authority and to meet the disclosure requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This analysis should be read in conjunction with the Independent Auditor's Report, financial statements, and accompanying notes.

DISCUSSION OF FINANCIAL STATEMENTS

The financial section consists of three parts:

- Independent auditor's report
- Management's discussion and analysis (this section)
- Basic financial statements, including notes to the financial statements

The Basic Financial Statements consist of:

Authority-wide Financial Statements

- *Statement of Net Position*
- *Statement of Activities*

Fund Financial Statements

Governmental Fund

- *Balance Sheet*
- *Statement of Revenues, Expenditures and Changes in Fund Balances*

The Statement of Net Position answers the question: "What is our financial position at the end of year?" The statement includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and is similar to the accounting presentation used by most private-sector companies. All of the Authority's current year's revenues and expenses are accounted for in the Authority-wide *Statement of Activities*. This statement measures the results of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through mortgages and loans, externally funded programs and other revenue sources.

The General Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances presents the same information in a more traditional current resources measurement focus governmental presentation, using the modified accrual basis of accounting. Governmental funds' statements focus on (1) how cash and other financial assets can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds' statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs.

The financial statements include Notes to Financial Statements which provide more detailed explanations of certain information contained in the financial statements.

The following supplementary information is also provided:

- Budgetary Comparison Schedule

The Budgetary Comparison Schedule measures the Authority's ability to plan its revenues and expenditures and generate sufficient cash to continue its programs. There were no variations between the original and final budget. The overall positive variance of actual results compared to budget was attributable to the combined effect of an excess of actual revenues over budgeted revenues and an excess of actual expenditures over budgeted expenditures.

The Authority is a self-supporting entity, with no taxing authority, and does not receive grants from any government entity. It is considered a component unit of Broward County and is discretely presented in the County's financial statements.

FISCAL YEAR HIGHLIGHTS

Issued Mortgage Credit Certificates in the amount of \$173,824 to provide qualifying households an annual tax credit in an amount up to 50% of the first mortgage interest. The households are entitled to the tax credit annually for the term of the mortgage, so long as the homebuyers continue to reside in the home. (Note: annual tax credits for Mortgage Credit Certificates issued with a tax credit percentage greater than 20% are capped at \$2,000 annually.) The MCC program assisted approximately 5 households in Broward County.

There are 4,420 affordable rental housing units currently available. Occupancy for all Authority rental properties during the fiscal year has been maintained at 98%.

Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$19.0 million, of which approximately \$0.8 million is invested in capital assets and \$18.2 million is unrestricted.

Total program revenue was \$1,620,291, a decrease of \$202,952 as compared to prior year, which is primarily attributable to decreased fees associated with financing or refinancing of multifamily bond transactions.

Total expenses as compared to prior year decreased \$23,062 by approximately 0.5%.

Investment income decreased by \$483,508 as compared to the prior year primarily as a result of market conditions and changes in the composition of the holdings in the investment portfolio.

Capital Assets and Long-Term Debt

As of September 30, 2025, the Authority had \$854,803 invested in a variety of capital assets, net of accumulated depreciation. This represents a net decrease (additions, deductions, and depreciation) of \$25,900 or 3% from the end of last year. There was no debt outstanding related to capital assets.

As of September 30, 2025, the Authority had \$729,712 in outstanding long-term liabilities. This represents a net decrease of \$88,905 resulting primarily from a decrease in net pension liability.

FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. Net position is \$19.0 million and equals the total assets plus deferred outflows of resources less the total liabilities and deferred inflows of resources.

Table A
Statement of Net Position
Condensed Comparative Data

	<u>Fiscal Year 2025</u>	<u>Fiscal Year 2024</u>
Current and other assets	\$ 19,261,211	\$ 18,045,050
Capital assets	<u>854,803</u>	<u>880,703</u>
Total assets	<u>20,116,014</u>	<u>18,925,753</u>
Deferred outflows of resources	82,305	120,317
Long-term liabilities	729,712	818,617
Other liabilities	<u>372,024</u>	<u>331,599</u>
Total liabilities	<u>1,101,736</u>	<u>1,150,216</u>
Deferred inflows of resources	<u>75,548</u>	<u>48,690</u>
Net position		
Net investment in capital assets	854,803	880,703
Net position – unrestricted	<u>18,166,232</u>	<u>16,966,461</u>
Net position	<u>\$ 19,021,035</u>	<u>\$ 17,847,164</u>

The change in net position of \$1,158,138 as compared to prior year change in net position of \$1,821,536, is primarily attributable to a combination of an decrease in program revenues of \$202,952, a decrease in interest and investment income of \$483,508 and a decrease in expenses of \$23,062.

Table B
Statement of Activities
Condensed Comparative Data

	<u>Fiscal Year 2025</u>	<u>Fiscal Year 2024</u>
Revenues:		
Program revenues	\$ 1,620,291	\$ 1,823,243
Interest and investment income (loss)	<u>628,159</u>	<u>1,111,667</u>
Total revenues (deficit)	<u>2,248,450</u>	<u>2,934,910</u>
Expenses:		
Personnel services	673,787	642,935
Professional fees	173,680	177,690
General and other expenses	<u>242,845</u>	<u>292,749</u>
Total expenses	<u>1,090,312</u>	<u>1,113,374</u>
Change in net position	<u>1,158,138</u>	<u>1,821,536</u>
Net position – beginning (*)	<u>17,862,897</u>	<u>16,025,628</u>
Net position – ending (*)	<u>\$ 19,021,035</u>	<u>\$ 17,847,164</u>

(*) Net position – beginning differs from prior year Net position – ending because it was adjusted by \$15,733 as required for change in accounting principle explained in Note 11.

ECONOMIC FACTORS AND FINANCIAL OUTLOOK

The Housing Finance Authority is affected by various economic conditions especially a low interest rate environment which may result in the following impacts:

- Interest income on investment securities is affected; and
- Normal operating cost increases become more difficult to absorb as revenues decline.

In addition to the normal impediments faced by Housing Finance Authorities, the housing sector has been particularly challenging due to a number of factors:

- Increase in the cost of homeownership;
- High building costs and property taxes;
- COVID
- Restrictions on rental rates; and
- The Authority’s ability to issue tax-exempt debt is limited by federal tax law. Annually prescribed amounts of private activity bond authority are allocated to each state.

The Authority is employing a number of initiatives and strategies to increase fees, reduce costs and to maximize its investment income while maintaining the safety of those investment dollars. The Authority will remain opportunistic with these and other strategies.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Housing Finance Authority of Broward County, Florida, Assistant to the Executive Director, 110 Northeast 3rd Street, Suite 300, Fort Lauderdale, FL 33301.

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 3,381,064
Interest receivable	6,141
Restricted cash	836,236
Investments	14,322,522
Notes receivable	204,904
Notes receivable - DPA	120,000
Whole loan mortgage receivable	141,721
Authority fees receivable	101,641
Rent receivable	146,982
Capital assets, net	<u>854,803</u>
Total Assets	<u>20,116,014</u>
DEFERRED OUTFLOWS	
Deferred outflows related to pension	<u>82,305</u>
Total Deferred Outflows	<u>82,305</u>
LIABILITIES	
Current liabilities:	
Accrued liabilities	72,024
Good faith deposits	<u>300,000</u>
Total current liabilities	<u>372,024</u>
Non-current liabilities:	
Due in one year	25,896
Due in more than one year	<u>703,816</u>
Total non-current liabilities	<u>729,712</u>
Total Liabilities	<u>1,101,736</u>
DEFERRED INFLOWS	
Deferred inflows related to pension	<u>75,548</u>
Total Deferred Inflows	<u>75,548</u>
NET POSITION	
Net investment in capital assets, net of related debt	854,803
Net position – unrestricted	<u>18,166,232</u>
Total Net Position	<u>\$ 19,021,035</u>

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

	<u>Governmental Activities</u>
Program Expenses	
Personnel services	\$ 673,787
Professional fees	173,680
General expenses	216,945
Depreciation	<u>25,900</u>
Total program expenses	<u>1,090,312</u>
Program Revenues	
Charges for services	1,473,309
Rentals	<u>146,982</u>
	<u>1,620,291</u>
Net program expense	529,979
General Revenue	
Interest and investment income	<u>628,159</u>
Change in net position	1,158,138
Net position - beginning as previously stated	17,847,164
Prior period adjustment	<u>15,733</u>
Net position – beginning balance as restated	<u>17,862,897</u>
Net position – ending balance	<u>\$ 19,021,035</u>

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

ASSETS	
Cash	\$ 3,381,064
Restricted cash	836,236
Investments	14,322,522
Interest receivable	6,141
Notes receivable	204,904
Notes receivable - DPA	120,000
Whole loan mortgage receivable	141,721
Authority fees receivable	101,641
Rent receivable	<u>146,982</u>
Total Assets	<u>\$ 19,261,211</u>

LIABILITIES	
Accrued liabilities	\$ 72,024
Good faith deposits	<u>300,000</u>
Total Liabilities	<u>372,024</u>

FUND BALANCES	
Assigned	1,084,859
Unassigned	<u>17,804,328</u>
Total Fund Balances	<u>18,889,187</u>

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund:

Capital assets	1,875,436	
Less accumulated depreciation	<u>(1,020,633)</u>	854,803

Some of the liabilities are not due and payable in the current period and therefore, are not reported as a fund liability:

Compensated absences		(95,629)
Net deferred outflows (inflows) of resources		6,757
Net pension liability		<u>(634,083)</u>
Net position of governmental activities		<u>\$ 19,021,035</u>

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

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY
(A Component Unit of Broward County, Florida)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Governmental Fund</u>
Revenues	
Charges for services	\$ 1,473,309
Rentals	146,982
Interest and investment income	<u>628,159</u>
Total revenues	<u>2,248,450</u>
Expenditures	
Current:	
Personnel services	682,089
Professional fees	173,680
General expenditures	<u>216,945</u>
Total expenditures	<u>1,072,714</u>
Change in fund balances	1,175,736
Total fund balances – beginning	<u>17,713,451</u>
Total fund balances – ending	<u>\$ 18,889,187</u>
 Changes in fund balances - governmental fund	 <u>\$ 1,175,736</u>
 Amounts reported for governmental activities in the statement of activities are different because:	
<i>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the net amount of depreciation expense and disposals.</i>	
	\$ (25,900)
 Some expenses reported in the statement of activities do not require the use of financial resources and therefore are not reported as expenditures in governmental funds.	
Pension	12,664
Compensated absences	<u>(4,362)</u>
Changes in net position of governmental activities	<u>\$ 1,158,138</u>

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

The Authority was established in 1979 by Broward County, Florida (“the County”) for the purpose of encouraging the investment of private capital and stimulating the construction of residential housing for low and moderate income families through the use of public financing. The Authority’s governing board (“the Authority Board”) is appointed by the County. Although the County does not have the authority to approve the Authority’s budget, the Authority’s contracts and negotiated bond issues must be approved by the County.

For financial statement reporting purposes, the Authority is considered a component unit of the reporting entity of the Broward County Board of County Commissioners (“the BOCC Board”) due to the oversight responsibility exercised by the BOCC Board and because the public service provided by the Authority is for the benefit of County residents. The Authority is an integral part of the reporting entity and, thus, is included in the Comprehensive Annual Financial Report of the County.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation and Basis of Accounting

These financial statements have been prepared in conformity with reporting guidelines established by the Governmental Accounting Standards Board (“GASB”) and accounting practices prescribed by the Auditor General, State of Florida. As such the required financial statements used are described below.

Authority-wide financial statements: The statement of net position and the statement of activities display information about the activities of the Authority using the accrual basis of accounting which is similar to the accounting presentation used by most private-sector companies.

Fund financial statements: The balance sheet and the statement of revenues, expenditures and changes in fund balances show the degree to which expenditures are offset by program revenues. The Authority reports in a single fund, the Operating Fund. Program revenues include 1) charges to applicants or bond issues for services provided and 2) rental income. These statements are presented in the traditional governmental presentation which includes capital outlays as expenditures and excludes depreciation and other non-current assets and liabilities, on a modified accrual basis.

Measurement Focus

Authority-wide Financial Statements: The Authority follows the accrual basis of accounting for its Authority-wide financial statements, and accordingly, recognizes revenues when earned and expenses at the time liabilities are incurred, regardless of when the related cash flows take place. The Authority also distinguishes program revenue and general revenue. Program revenue generally results from providing services in connection with the principal ongoing operations. The principal revenues of the Authority are charges to customers for services and fees for issuance of bonds.

Fund Financial Statements: Governmental Fund - The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Authority considers all revenues reported in the Operating Fund to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Assets, Liabilities, and Equity

Deposits and Investments — The cash balances of substantially all funds are pooled and invested for the purpose of increasing earnings through investment activities. The pooled investments are reported at fair value at September 30, 2021 based on market prices.

Capital Assets — Capital assets, which include property, plant, and equipment, are reported at cost. Tangible personal property used in the operations of the Authority is recorded in the property records of the County and the Authority. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings, structures and improvements	20-40
Furniture, fixtures and equipment	3-15

Compensated Absences

The Authority incurs a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Authority is not legally required and does not accumulate expendable available financial resources to liquidate this obligation.

The Authority's employees earn vacation and sick leave in varying amounts based on length of service. Vacation leave is fully vested upon being earned. Sick leave is accumulated and vested; however, only the portion that is more likely than not to be used for time off or otherwise paid is reported as a liability.

In accordance with GASB 101, *Compensated Absences*, a liability for compensated absences is recognized for leave attributable to services already rendered and that is more likely than not to be used or paid. The compensated absences liability includes salary-related payments, including payroll taxes and FRS employer contributions.

Compensated absences are measured using a first-in, first-out (FIFO) method, whereby leave earned earliest is assumed to be used first.

Pensions

In the governmental activities, Statement of Net Position, pension liabilities are recognized for the Authority's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (Pension Plan) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan, and additions to and deductions from the Pension Plan's and the HIS's fiduciary net position, have been determined on the same basis as they are reported by the Pension Plan and HIS plans. Changes in the net pension liability during the period are recorded as pension expense, deferred outflows of resources, or deferred inflows of resources depending on the nature of the change. Those changes in the net pension liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions or other inputs, changes in the proportionate share of the net pension liability, and differences between expected or actual experience, are amortized over the average expected remaining service lives of all employees that are provided with pensions through the pension plans, and recorded as a component of pension expense beginning with the period in which they arose. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflows of resources and are amortized as a component of pension expense using a systematic and rational method over a five year period.

Net Position and Fund Balances

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of the cost of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on its use through legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The Authority applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Net position - unrestricted is net position that does not meet the definitions of the classifications previously described.

Fund balances of governmental funds are classified as non-spendable, restricted, committed, assigned, or unassigned:

1. *Non-spendable* – not in spendable form, e.g., inventories, prepaid amounts.
2. *Restricted* – constraints imposed by external sources (debt covenants, grantors, contributors, laws, or regulations of other governments) or imposed by law through constitutional provision or enabling legislation.
3. *Committed* – limited to specific purposes by formal action imposed by the Authority Board or the BOCC Board or its delegated body.
4. *Assigned* – use limited by the government's intent to be used for specific purposes. Intent should be expressed by the Authority Board or the BOCC Board or its delegated body.
5. *Unassigned* – fund positive balances not otherwise classified.

In order to calculate amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Bond Issuance Authority Fees

In connection with the issuance of each housing revenue bond series, the Authority receives from the Bond Trustee an initial issuance fee at the time of issuance and an annual administrative fee each year thereafter in which any portion of the issue remains outstanding. These fees are based on either a percentage of bonds, mortgage loans or GNMA certificates outstanding or a certain dollar amount, as provided for in the bond issue documents and recognized as income in the year for which they are assessed.

Interest Income

Interest on loans and investments is recognized as income when earned.

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Note 3 - Implementation of Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board ("GASB") has issued several pronouncements that have effective dates that may impact current and future financial presentations.

GASB 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.

The requirements of this Statement are effective for fiscal years ending after December 31, 2024. Management has adopted this Statement for the fiscal year ended September 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. Management has adopted this Statement for the fiscal year ended September 30, 2025 and has determined that it does not have a material impact on the Authority’s financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The key components discussed in this Statement relate to disclosures of the management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI), presentation of unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence, the presentation of proprietary fund statement of revenues, expenses, and changes in fund net position, presentation of major component unit information, and presentation of budgetary comparison information. This Statement also addresses certain application issues.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. Management has not currently determined what effect this Statement has on the Authority’s financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. Management has not currently determined what effect this Statement has on the Authority’s financial statements.

GASB Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve the consistency and usefulness of subsequent events reporting. Subsequent events are defined as events occurring after the financial statement date but before the date the financial statements are available to be issued, which is the date the statements are complete in accordance with generally accepted accounting principles, and all required approvals have been obtained. The Statement requires disclosure of the date through which subsequent events have been evaluated and clarifies the distinction between recognized and nonrecognized subsequent events, including specific disclosure requirements for nonrecognized events.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged. Management has not currently determined what effect this Statement has on the Authority’s financial statements.

Note 4 - Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

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

At September 30, 2025, the Authority’s cash and cash equivalents are described as follows:

<u>Depository</u>	<u>Description</u>	<u>Book Balance</u>
Wells Fargo	Public deposits	\$ 978,203
Bank of New York Mellon - Custody	First American Government Obligation	2,395,453
Bank of New York Mellon - Restricted Cash	Fidelity Investment Money Market Treasury	836,236
FHLBank LOC - Restricted Cash	Daily investment account	<u>7,408</u>
		<u>\$ 4,217,300</u>

The deposits held at The Bank of New York Mellon in the Escrow Indemnification Fund can be used by the Authority without Authority Board approval for its operations when indemnification deposit funds in the account are in excess of \$500,000, and with Authority Board approval when funds in the account are less than \$500,000.

Investments

The Authority participates in the County's pooled cash program. Under the program, the County invests the cash of participating entities in, repurchase agreements, certificates of deposit, U.S. Treasury Bills, and other U.S. government obligations. Pooled investments are carried at cost plus accrued interest, which approximates market value. Interest earned on investments is allocated to the various participants based upon their equity balance in pooled cash and investments during the allocation period. Investments owned in the pooled cash program are in the name of the County.

The Authority's investment practices are governed by 218.415 of the Florida Statutes and Authority Resolution 2017-003. The Authority has a formal investment policy that, in the opinion of management, is designed to ensure conformity with State Statutes and seeks to limit exposure to investment risks. The investment policy specifies the types, issuer, maturity, and performance measurement of investment securities that are permissible. Qualified institutions utilized for investment transactions are also addressed within the policy, as well as diversification requirements for the investment portfolio. Under State Statutes, County Ordinances and the Authority's resolution, the Authority is authorized to invest in obligations of the U.S. Government, its agencies and instrumentalities, the Florida Local Government Investment Trust, repurchase agreements with primary dealers, commercial paper, bonds, notes or obligations of the State of Florida or any municipality, political subdivision or agency or authority of the State, certificates of deposit, securities in certain open-end or closed-end investment companies or trusts, World Bank notes, bonds and discount notes, obligations of the Tennessee Valley Authority, and certain money market funds. The Authority may also invest in collateralized mortgage obligations and reverse repurchase agreements. Authority policy requires that securities underlying repurchase agreements must have a market value of at least 102% of the cost of the repurchase agreements.

The Authority's investments are managed by its investment committee. Investments are in accordance with Broward County's investment policies. These investment policies address Interest Rate Risk, Credit Risk and Concentration of Credit Risk. The Authority also invests funds principally in FNMA and GNMA mortgage-backed securities.

Interest Rate Risk - The Authority manages its exposure to interest rate volatility by limiting the weighted average maturity of its investment portfolio.

Note 4 - Cash, Cash Equivalents, and Investments (cont'd)

Investments (cont'd)

As of September 30, 2025, the weighted average maturity (“WAM”) was 1,477 days.

<u>Investment Type</u>	<u>WAM (Days)</u>	<u>Fair Value</u>
U.S. Treasury	356	\$ 1,244,837
U.S. Agency Mortgage-Backed Securities	1,121	<u>13,077,685</u>
Total Fair Value		<u>\$ 14,322,522</u>
Portfolio WAM	1,477	

Credit Risk - The investment policy contains specific rating criteria for certain investments. The policy states that commercial paper, bonds, notes, or obligations of the State of Florida, any municipality or political subdivision or any agency or authority of the state, if such obligations are rated, must be rated in one of the two highest rating categories by at least two nationally recognized rating agencies. Commercial paper not rated must be backed by a letter of credit or line of credit rated in one of the two highest rating categories. Any investments in World Bank Notes, Bonds and Discount Notes must be rated AAA or equivalent by Moody's Investor Service and/or Standard and Poor's Corporation.

The Authority's investments in U.S. Treasuries and U.S. Agencies are rated AA+ by Standard & Poor's, AAA by Fitch Ratings, and Aaa by Moody's Investor Services. The Authority's investments in the Money Market Mutual Fund is rated AAAM by Standard & Poor's.

Concentration of Credit Risk - The Authority places no limit on the amount that may be invested in securities of the U.S. Government and Agency thereof, or government-sponsored corporation securities. The Authority requires that all other investments be diversified with no more than 5% of the value of the portfolio invested in the securities of any single issuer at time of purchase. GASB Statement No. 40 requires disclosure when the percent is 5% or more in any one issuer. The investment in the United States Treasury instruments is 91.31%, Federal National Mortgage Association is 2.05%, Government National Mortgage Association is .3%, and Federal Home Loan Mortgage Corporation is 6.4%.

Note 5 - Fair Value Measurements

The Authority's financial instruments measured and reported at fair value are classified according to the following hierarchy:

Level 1 — Unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access at the measurement date.

Level 2 — Inputs are based on significant observable inputs, including unadjusted quoted market prices for similar assets and liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3 — Inputs that are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

The categorization of financial instruments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. The investments classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for identical securities and Level 2 are valued using prices quoted in active markets for similar securities.

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
U.S. Treasury	\$ 13,077,685	\$ -	\$ 13,077,685
U.S. Agency Mortgage-Backed Securities	<u>-</u>	<u>1,244,837</u>	<u>1,244,837</u>
	<u>\$ 13,077,685</u>	<u>\$ 1,244,837</u>	<u>\$ 14,322,522</u>

Note 6 - Receivables

Notes Receivable

At September 30, 2025, notes receivable consists of the following:

Mount Olive Development Corporation	\$ 76,156
Authority Mortgage receivable	5,553
Broward County Community Development Corporation, Inc.	123,195
Notes Receivable - Down Payment Assistance Program	<u>120,000</u>
Total	<u>\$ 324,904</u>

Notes Receivable (cont'd)

In December 2004, the Authority modified the terms of two first mortgages on which Mount Olive Development Corporation ("MODCO") was the mortgagor. Under the terms of the modification, the remaining balance of a \$75,000 Mortgage signed on August 21, 1997 was added to the remaining balance of a \$400,000 Mortgage signed on July 21, 2000. The \$75,000 Mortgage was paid in full and under the modified terms of the new note, \$5,000 quarterly payments were to be made with the balance due on December 31, 2011. On October 14, 2009, the Authority Board approved a modification which would provide an additional \$88,000 to MODCO for renovations to the property. Under terms of the modification, the balloon was eliminated, and MODCO will continue paying \$5,000 quarterly until the note is paid in full.

The Broward County Community Development Corporation, Inc. note receivable is secured by a 4th lien position in property located at 10100 N.W. 35th Street, Coral Springs, FL more particularly described as Coral Springs City Center, Commercial Sec 3 64-4 B Lot 13 and 14, Block A, Folio Numbers 8121 05 0130 and 8121 05 0140. The note is non-interest bearing and provides for monthly payments of principal beginning February 1, 2019, and on the same day of each and every calendar month thereafter through the term of this Note in an amount equal to \$972.22. Any and all remaining unpaid amount due on the note shall be due and payable in full on February 1, 2034.

Forty-four (44) second mortgage loans in the total amount of \$437,125 were made under a down payment assistance program. The program provided for a loan to be made to a qualifying borrower using Authority funds, which were reimbursed to the Authority by Florida Housing Finance Corporation ("FHFC") to the extent FHFC criteria are met and the funds were available from FHFC. In addition, the Authority is entitled to the repayment of the note receivable resulting from the second mortgage placed on the property financed for the qualifying borrower. Thirty-two (32) mortgages have been paid off as of September 30, 2025 totaling \$317,125 leaving a remaining balance of \$120,000.

Since the real properties, which collateralize certain of the Authority's loans receivable, are concentrated with one geographic location (Broward County, Florida), there is a significant concentration of credit risk. In an effort to minimize this risk, it is the Authority's policy to have application review performed and to record mortgage liens on the real property during the period the loans are outstanding.

Certain of the Authority's loan programs defer payments, for either or both principal and interest, until maturity. Under some programs, loans may be forgivable if the borrower meets certain criteria or complies with certain criteria during a predetermined period.

On June 1, 2018 the Authority redeemed all outstanding Bonds for its:

- Single Family Mortgage Revenue Bond, Series 2006A and Single Family Mortgage Subordinate Revenue Bonds Series 2006B, and
- Single Family Mortgage Revenue Bond, Series 2007AB and Single Family Mortgage Subordinate Revenue Bonds Series 2007C.

Both of the above issues were holding mortgage loans assets that became the property of the Authority on June 1, 2018, at the time the above-mentioned Bonds were redeemed.

Note 8 - Capital Assets

The following is a summary of changes in capital assets for the year ended September 30, 2025:

	Beginning Balance <u>10/1/2024</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance <u>9/30/2025</u>
Capital assets, not being depreciated:				
Land	\$ 621,704	\$ -	\$ -	\$ 621,704
Total capital assets, not being depreciated	<u>621,704</u>	<u>-</u>	<u>-</u>	<u>621,704</u>
Capital assets, being depreciated:				
Building	1,036,000	-	-	1,036,000
Equipment	<u>217,732</u>	<u>-</u>	<u>-</u>	<u>217,732</u>
Total capital assets, being depreciated	<u>1,253,732</u>	<u>-</u>	<u>-</u>	<u>1,253,732</u>
Less accumulated depreciated for:				
Building	(777,001)	(25,900)	-	(802,901)
Equipment	<u>(217,732)</u>	<u>-</u>	<u>-</u>	<u>(217,732)</u>
Total accumulated depreciated	<u>(994,733)</u>	<u>(25,900)</u>	<u>-</u>	<u>(1,020,633)</u>
Total capital assets, being depreciated, net	<u>258,999</u>	<u>(25,900)</u>	<u>-</u>	<u>233,099</u>
Total capital assets, net	<u>\$ 880,703</u>	<u>\$ (25,900)</u>	<u>\$ -</u>	<u>\$ 854,803</u>

Charges from the County for services provided to the Authority totaled approximately \$690,254 during the year ended September 30, 2025. These services included office staff, attorney, auditing, and printing services. The Authority utilizes the self-insurance program of the County for workers' compensation, group health, general and auto liability insurance. The amount owed to the County by the Authority as of September 30, 2025 is \$72,024.

Note 10 - Short-Term Debt

Line of Credit

In order to preserve single-family bond issuance capacity in October 2002, the Authority obtained a line of credit with Federal Home Loan bank at a cost of 7-1/2 basis points.

There is currently no balance on the Line of Credit. Proceeds from a borrowing are used to redeem bonds from the Authority's prior single-family issues which would otherwise have been redeemed with principal payments, mortgage sale proceeds or other sources of funds. The credit facility allows the Authority to issue refunding bonds to provide new below-market mortgage loans. The proceeds of such refunding bonds are the source of repayment of the line of credit. This credit facility protects the Authority from negative arbitrage (the difference between interest received and interest paid) which would be incurred in periods of declining interest rates.

Note 11 - Change in Accounting Principle

Effective October 1, 2024, the Authority implemented GASB Statement No. 101, *Compensated Absences*, which replaces GASB Statement No. 16. The Statement clarifies the recognition and measurement requirements for liabilities related to compensated absences.

The implementation of GASB 101 resulted in a change in accounting principle and required the recognition of compensated absences that were not previously reported under prior guidance.

Restatement of Beginning Net Position

The adoption of GASB 101 required the restatement of beginning net position as of October 1, 2024, to recognize a decrease in the compensated absences liability. The effect of the implementation is summarized below:

Description	<u>Amount</u>
Compensated absences liability at September 30, 2024, under prior guidance	\$ 107,000
Decrease resulting from GASB Statement No. 101	<u>(15,733)</u>
Compensated absences liability at October 1, 2024, as restated	<u><u>\$ 91,267</u></u>

The changes in long-term debt obligations for the year ended September 30, 2025, are summarized as follows:

	Beginning Balances <u>10/1/2024</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balances <u>9/30/2025</u>
Compensated absences	\$ 91,267 (*)	\$ 4,362 (**)	\$ -	\$ 95,629
Net pension liability	<u>711,617</u>	<u>-</u>	<u>(77,534)</u>	<u>634,083</u>
Total	<u>\$ 802,884</u>	<u>\$ 4,362</u>	<u>\$ (77,534)</u>	<u>\$ 729,712</u>

(*) Represents opening balance as restated.

(**) The change in compensated absences is presented as a net change.

At September 30, 2025, \$25,896 of compensated absences is expected to be liquidated with available financial resources and is reported as a current liability. The remaining \$69,733 is reported as a long-term liability.

Note 13 - Conduit Debt Obligations

From time to time, the Authority has issued revenue bonds to finance the construction or acquisition of single family or multi-family housing developments which are intended for occupancy in part by persons of low, moderate, or middle income. Neither the Authority, nor the County, or the State, or any political subdivision thereof is obligated in any manner for repayment of the bonds.

As of September 30, 2025, there were twenty-five (25) bond series outstanding with an aggregate principal amount payable of \$537,839,250.

Note 14 - Retirement Plans

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, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the 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 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. The Florida Legislature establishes and may amend the contribution requirements and benefit terms of all FRS plans.

The plan administrator for FRS prepares and publishes its own stand-alone comprehensive annual financial report, including financial statements and required supplementary information. Copies of this report can be obtained from the Department of Management Services, Division of Retirement, Bureau of Research and Member Communications, P.O. Box 9000, Tallahassee, Florida 32315-9000; or at the Division's website (www.frs.myflorida.com).

Pension Plan

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

- Regular Class - Members of the FRS who do not qualify for membership in the other classes.
- Senior Management Service Class (SMSC) - Members in senior management level positions.
- Special Risk Class - Members who are employed as law enforcement officers and firefighters and other specified positions which qualify for this class.
- Elected Officers' Class (EOC) - Members who hold specified elected offices of local government.

Employees enrolled in the Pension Plan prior to July 1, 2011, vest after six years of creditable service, and employees enrolled in the Pension Plan on or after July 1, 2011, vest after eight years of creditable service. Regular Class, SMSC, and EOC members initially enrolled in the Pension Plan before July 1, 2011, once vested, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service. Members in these classes initially enrolled in the Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Special Risk members initially enrolled in the Pension Plan before July 1, 2011, once vested, are eligible for normal retirement benefits at age 55 or at any age after 25 years of creditable service. Members in this class initially enrolled in the Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 60 or any age after 30 years of creditable service. Early retirement may be taken any time after vesting within 20 years of normal retirement age, however, there is a 5.0% benefit reduction for each year prior to the normal retirement age.

DROP is available under the Pension Plan when the member first reaches eligibility for normal retirement. The DROP allows a member to retire while continuing employment for up to 96 months. While in the DROP, the member's retirement benefits accumulate in the FRS Trust Fund increased by a cost-of-living adjustment each July, and earn monthly interest equivalent to an annual rate of 4.0% on the preceding months DROP accumulation until DROP participation ends.

Pension Plan (cont'd)

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

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

<u>Class, Initial Enrollment, and Retirement Age/Years of Services</u>	<u>% Value (Per Year of Service)</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class members initially enrolled after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
Senior Management Service Class	2.00%
Special Risk Class	
Service from December 1, 1970 through September 30, 1974	2.00%
Service on or after October 1, 1974	3.00%
Elected Officers' Class	
Service as elected county officer	3.00%

Pension Plan (cont'd)

The benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment (COLA) each July. If the member was initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before that time, the annual COLA is 3.0% per year. The annual COLA for retirees with an effective retirement date or DROP date beginning on or after August 1, 2011, who were initially enrolled before July 1, 2011, is a proportion of 3.0% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3.0%. Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

Contributions - Effective July 1, 2011, all enrolled members of the Pension Plan, other than DROP participants, are required to contribute 3.0% of their salary to the Pension Plan. In addition to member contributions, governmental employers are required to make contributions to the Pension Plan based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from July 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025, respectively, were as follows: Regular – 11.51% and 13.63%; Senior Management Service – 32.46% and 34.52%; Special Risk – 30.61% and 39.82%; Elected Officers' – 56.62% and 58.68%; and DROP participants - 19.13% and 21.13%. These employer contribution rates do not include the HIS Plan contribution rate and the administrative cost assessment. For the fiscal year ending September 30, 2025, contributions, including employee contributions of \$10.305 million, to the Pension Plan for the County, excluding the Broward Sheriff's Office (BSO), totaled \$60.447 million. For the fiscal year ending September 30, 2025, contributions, including employee contributions of \$10,085, to the Pension Plan for the Authority, totaled \$58,707.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2025, the Authority reported a liability of \$437,353 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The Authority's proportionate share of the net pension liability was based on their share of the County's 2024-2025 fiscal year contributions relative to the 2024-2025 fiscal year contributions of all participating members. At June 30, 2025, the Authority's proportionate share was 0.000795687%. The proportionate share for the Authority at June 30, 2025 as compared to June 30, 2024 was a decrease of 0.00013040%.

Pension Plan (cont'd)

For the fiscal year ended September 30, 2025, the Authority recognized pension expense of \$25,645. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 26,376	\$ -
Change of assumptions	28,676	-
Net difference between projected and actual earnings on Pension Plan investments	-	(41,230)
Changes in proportion and differences between Pension Plan contributions and proportionate share of contributions	5,139	(1,044)
Pension Plan contributions subsequent to the measurement date	<u>11,271</u>	<u>-</u>
Total	<u>\$ 71,462</u>	<u>\$ (42,274)</u>

The deferred outflows of resources related to the Pension Plan, totaling \$11,271 for the Authority, resulting from contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. 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:

<u>Fiscal Year Ending September 30,</u>	
2026	\$ 42,739
2027	(6,559)
2028	(10,157)
2029	(8,106)
2030	-
Thereafter	<u>-</u>
Total	<u>\$ 17,917</u>

Actuarial Assumptions - The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions:

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

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2025, valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

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:

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash Equivalents	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	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	<u>2.0%</u>	6.6%	6.2%	8.7%
	<u>100%</u>			
Assumed Inflation - Mean			2.4%	1.5%

*As outlined in the Pension Plan's investment policy.

Pension Plan (cont'd)

Discount Rate - The discount rate used to measure the total pension liability was 6.70%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at the statutorily required rates. 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. The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. The 6.70% rate of return assumption used in the June 30, 2025 calculations was determined by the Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes which differs from the rate used for funding purposes which is used to establish the contribution rates for the Pension Plan.

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Authority's proportionate shares of the net pension liability calculated using the discount rate of 6.70%, as well as what the proportionate shares 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:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
Authority's proportionate share of the Net Pension Liability	<u>\$ 858,299</u>	<u>\$ 437,353</u>	<u>\$ 84,438</u>

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 Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2025, the Authority reported payables in the amount of \$3,149 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2025.

HIS Plan

Plan Description - The HIS Plan is a non-qualified, cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of 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, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. 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. The employer contributions are a percentage of gross compensation for all active FRS members. The employer contribution rates for the period from July 1, 2023 through June 30, 2025 and from July 1, 2023 through September 30, 2025 was 2.00%. 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.

For the fiscal year ending September 30, 2025, contributions to the HIS Plan for the Authority, totaled \$9,389.

HIS Plan's Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2025, the Authority reported a liability of \$196,730 for its proportionate share of the HIS Plan's net pension liability. The HIS Plan's net pension liability was measured as of June 30, 2024, and the total HIS Plan's pension liability used to calculate the HIS Plan's net pension liability was determined by an actuarial valuation as of July 1, 2024.

The Authority's proportionate share of the HIS Plan's net pension liability was based on their share of the County's 2024-2025 fiscal year contributions relative to the 2024-2025 fiscal year contributions of all participating members. At June 30, 2025, the Authority's proportionate share was 0.00103697% and at June 30, 2025 as compared to June 30, 2024 was a decrease of 0.000135123%.

HIS Plan (cont'd)

For the fiscal year ended September 30, 2025, the Authority recognized HIS Plan expense of \$2,610. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 793	\$ (211)
Change of assumptions	1,176	(32,148)
Net difference between projected and actual earnings on Pension Plan investments	-	(110)
Changes in proportion and differences between Pension Plan contributions and proportionate share of contributions	6,753	(805)
Pension Plan contributions subsequent to the measurement date	<u>2,120</u>	<u>-</u>
Total	<u>\$ 10,842</u>	<u>\$ (33,274)</u>

The deferred outflows of resources related to the HIS Plan, totaling \$2,120 for the Authority, resulting from contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the HIS Plan's net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in HIS Plan pension expense as follows:

Fiscal Year Ending September 30,	
2026	\$ (5,195)
2027	(6,817)
2028	(5,412)
2029	(4,223)
2030	(2,904)
Thereafter	<u>-</u>
Total	<u>\$ (24,551)</u>

HIS Plan (cont'd)

Actuarial Assumptions - Actuarial valuations for the HIS plan are conducted biennially. The July 1, 2024 HIS valuation is the most recent actuarial valuation and was used to develop the liabilities as of June 30, 2024. The total HIS liability as of June 30, 2024 was determined using the following actuarial assumptions:

Inflation	2.40%
Salary increases	3.50% average, including inflation
Investment rate of return	3.93% net of pension plan investment expense, including inflation

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

The actuarial assumptions that determined the total HIS liability as of June 30, 2025 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 HIS liability at June 30, 2025 was 3.93%. 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 FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the June 30, 2025 liability measurement was 3.93%, an increase of 0.28% from the discount rate of 3.65% used in the previous year. The change between the two measurement dates is due to the changes in the applicable municipal bond index between the dates.

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Authority's proportionate shares of the net HIS liability calculated using the discount rate of 3.93%, as well as what the proportionate shares of the net HIS liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current rate:

	1% Decrease	Current	1% Increase
	(2.93%)	Discount Rate	(4.93%)
	<u> </u>	<u> </u>	<u> </u>
Authority's proportionate share of the net pension liability	<u>\$ 221,844</u>	<u>\$ 196,730</u>	<u>\$ 175,666</u>

HIS Plan (cont'd)

HIS 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 Comprehensive Annual Financial Report.

Payables to the HIS Plan - At September 30, 2024, the Authority reported payables in the amount of \$678 for outstanding contributions to the HIS plan required for the fiscal year ended September 30, 2025.

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 Comprehensive Annual Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the defined benefit pension 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 State Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class 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 Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Effective July 1, 2012, allocations to the investment member's accounts, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular Class - 8.30%, Senior Management Service Class - 9.67%, Special Risk Class - 16.0%, and Elected Officers' Class - 13.34%.

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. Nonvested 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 their account.

Investment Plan (cont'd)

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 rollover 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.

The Investment Plan pension expense for the Authority was \$19,920 for the fiscal year ended September 30, 2025.

At September 30, 2025, the Authority reported payables in the amount of \$1,218 for outstanding contributions to the Investment Plan required for the fiscal year ended September 30, 2025.

Note 15 - Risk Management

The Authority is exposed to various risks loss related to torts; theft of assets, errors and omissions; personal injuries; and natural disasters. As a dependent special district, the Authority is insured under Broward County's insurance plan. The coverage is provided at no cost to the Authority. In the past 3 years, there have been no claims settled exceeding the insurance coverage. As of September 30, 2025, there were no outstanding claims.

Note 16 - Subsequent Events

In connection with the preparation of the financial statements, management has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended September 30, 2025 through February 20, 2026, the date the financial statements were available to be issued.

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY
(A Component Unit of Broward County, Florida)**

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 1,225,000	\$ 1,225,000	\$ 1,470,784	\$ 245,784
MCC and Lender Program Income	3,500	3,500	2,525	(975)
Bond redemption and other income	-	-	-	-
Investment and interest income	370,000	370,000	628,159	258,159
Rental income	<u>146,982</u>	<u>146,982</u>	<u>146,982</u>	<u>-</u>
Total revenues	<u>1,745,482</u>	<u>1,745,482</u>	<u>2,248,450</u>	<u>502,968</u>
EXPENDITURES:				
Current:				
Personnel services	762,176	762,176	682,089	80,087
Professional fees	221,000	221,000	173,680	43,320
General expenditures	358,832	358,832	216,945	141,887
Capital outlay	<u>81,000</u>	<u>81,000</u>	<u>-</u>	<u>81,000</u>
Total Expenditures	<u>1,423,008</u>	<u>1,423,008</u>	<u>1,072,714</u>	<u>350,294</u>
Change in fund balance	322,474	322,474	1,175,736	152,674
Fund balance, beginning of the year	<u>17,713,451</u>	<u>17,713,451</u>	<u>17,713,451</u>	<u>17,713,451</u>
Fund balance, end of the year	<u>\$ 18,035,925</u>	<u>\$ 18,035,925</u>	<u>\$ 18,889,187</u>	<u>\$ 18,889,187</u>

See accompanying notes to the Budget Comparison Schedule.

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY
(A Component Unit of Broward County, Florida)
NOTES TO THE BUDGET COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Note 1 - Budgetary Requirements

The Housing Finance Authority of Broward County prepares an annual operating budget for the Operating Fund which is included in these financial statements.

Budgets are prepared on the same basis of accounting as required for Governmental Fund Types. Expenditures may exceed the approved budget amounts for individual categories as long as the total does not exceed the approved budget.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY
(A Component Unit of Broward County, Florida)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN ⁽¹⁾
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the net pension liability (asset)	0.00087880%	0.00092609%	0.00096752%	0.00115686%	0.00116388%	0.00138000%	0.00152000%	0.00148000%	0.00097790%	0.00090561%
	\$ 437,353	\$ 495,060	\$ 507,154	\$ 430,074	\$ 136,813	\$ 514,616	\$ 386,668	\$ 314,443	\$ 289,259	\$ 228,668
Authority's covered-employee payroll	\$ 327,207	\$ 369,080	\$ 361,604	\$ 398,356	\$ 515,833	\$ 505,876	\$ 549,144	\$ 516,080	\$ 392,857	\$ 430,147
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	134%	134%	140%	108%	34.87%	101.73%	70.41%	60.93%	73.63%	53.16%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	178.85%	82.61%	84.26%	83.89%	84.88%

(1) The amounts presented for each fiscal year were determined as of June 30.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY
(A Component Unit of Broward County, Florida)
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN ⁽¹⁾
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 43,310	\$ 48,623	\$ 43,924	\$ 43,098	\$ 38,787	\$ 42,640	\$ 43,194	\$ 38,956	\$ 36,596	\$ 16,862
Contributions in relation to the contractually required contribution	<u>(43,310)</u>	<u>(48,623)</u>	<u>(43,924)</u>	<u>(43,098)</u>	<u>(38,787)</u>	<u>(42,640)</u>	<u>(43,194)</u>	<u>(38,956)</u>	<u>(36,596)</u>	<u>(16,862)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 329,318	\$ 374,476	\$ 403,444	\$ 401,300	\$ 392,459	\$ 507,692	\$ 549,144	\$ 519,672	\$ 373,481	\$ 440,147
Contributions as a percentage of covered-employee payroll	13.15%	12.98%	10.89%	10.74%	9.88%	8.40%	7.87%	7.50%	9.80%	3.83%

(1) The amounts presented for each fiscal year were determined as of September 30.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY
(A Component Unit of Broward County, Florida)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY⁽¹⁾
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the net pension liability (asset)	0.0010370%	0.00117209%	0.00122013%	0.001460%	0.001460%	0.001880%	0.002050%	0.001976%	0.001256%	0.001252%
	\$ 132,913	\$ 216,557	\$ 223,085	\$ 152,298	\$ 182,602	\$ 183,001	\$ 158,437	\$ 140,799	\$ 134,263	\$ 145,968
Authority's proportionate share of the net pension liability (asset)	\$ 463,999	\$ 507,824	\$ 484,465	\$ 524,590	\$ 515,833	\$ 653,767	\$ 549,144	\$ 516,080	\$ 392,857	\$ 430,147
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	28.65%	42.64%	46.05%	23.03%	35.40%	27.99%	28.85%	27.28%	34.18%	33.93%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

(1) The amounts presented for each fiscal year were determined as of June 30.

HOUSING FINANCE AUTHORITY OF BROWARD COUNTY
(A Component Unit of Broward County, Florida)
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY⁽¹⁾
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 9,389	\$ 10,386	\$ 9,558	\$ 8,805	\$ 8,568	\$ 10,947	\$ 9,116	\$ 8,627	\$ 6,200	\$ 7,306
Contributions in relation to the contractually required contribution	<u>(9,389)</u>	<u>(10,386)</u>	<u>(9,558)</u>	<u>(8,805)</u>	<u>(8,568)</u>	<u>(10,947)</u>	<u>(9,116)</u>	<u>(8,627)</u>	<u>(6,200)</u>	<u>(7,306)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 469,470	\$ 519,299	\$ 477,902	\$ 530,398	\$ 516,164	\$ 658,635	\$ 549,144	\$ 519,671	\$ 373,481	\$ 440,147
Contributions as a percentage of covered-employee payroll	2.00%	2.00%	2.00%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

(1) The amounts presented for each fiscal year were determined as of September 30.

**HOUSING FINANCE AUTHORITY OF BROWARD COUNTY
(A Component Unit of Broward County, Florida)**

COMPLIANCE SECTION

SEPTEMBER 30, 2025



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

To the Board of Directors
Housing Finance Authority
Broward County, 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 the Housing Finance Authority of Broward County, Florida ("the Authority"), as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 20, 2026.

Report on Internal Control over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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, the report is for the sole purpose.



Miramar, Florida
February 20, 2026



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES

To the Board of Directors
Housing Finance Authority
Broward County, Florida

We have examined the Housing Finance Authority of Broward County, Florida ("the Authority"), compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the fiscal year ended September 30, 2025. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2025.

This report is intended solely for the information and use of management and the State of Florida Auditor General, the Authority's Board of Directors, and applicable management, and is not intended to be and is not to be used by any other specified parties.

Miramar, Florida
February 20, 2026

47



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ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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

To the Board of Directors
Housing Finance Authority
Broward County, Florida

Report on the Financial Statements

We have audited the financial statements of the Housing Finance Authority of Broward County, Florida ("the Authority"), as of and for the fiscal year ended September 30, 2025 and have issued our report thereon dated February 20, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Reports on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are February 20, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

48



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Financial Management

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

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal, and the Authority's board of directors, and management of the Authority, and is not intended to be shared with these specified parties.



Miramar, Florida
February 20, 2026