

**HOUSING FINANCE AUTHORITY
OF ST. JOHNS COUNTY**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

**HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY
TABLE OF CONTENTS
SEPTEMBER 30, 2020**

Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 4
Basic Financial Statements	
Balance Sheet / Statement of Net Position.....	5
Statement of Revenues, Expenditures and Changes in Fund Balance / Statement of Activities	6
Notes to Financial Statements	7 - 9
 Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual General Fund.....	11
 Other Reports and Schedule	
Independent Auditors' Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with <i>Government Auditing Standards</i>	13 - 14
Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General	15 - 16
Independent Accountants' Examination Report.....	17

INDEPENDENT AUDITORS' REPORT

To the Governing Board,
Housing Finance Authority of St. Johns County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Housing Finance Authority of St. Johns County (the Authority), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 general fund of the Authority, as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial 'J'.

Daytona Beach, Florida
June 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Housing Finance Authority of St. Johns County's (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the Authority's financial statements, which follow this section.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report contains government-wide financial statements that report on the Authority's activities as a whole and fund financial statements that report on the Authority's individual fund.

Government-Wide Financial Statements

The first financial statement is the Statement of Net Position. This statement includes all of the Authority's assets, liabilities, and deferred outflows/inflows using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net Position – the difference between assets, liabilities, and deferred outflows/inflows – can be used to measure the Authority's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the Authority's financial health is improving or deteriorating. However, other non-financial factors must also be considered when assessing the overall health of the Authority.

Fund Financial Statements

Following the government-wide financial statements are the fund financial statements.

Governmental funds – The General Fund is the Authority's only fund. This fund is accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the governmental fund's financial position. A reconciliation is provided with these statements, which helps to explain the difference between the fund financial statements and the government-wide financial statements.

Condensed Financial Information

The following tables present condensed, government-wide comparative data about net position and changes in net position.

NET POSITION

	Governmental Activities	
	2020	2019
ASSETS		
Current assets	\$ 251,884	\$ 272,673
Total assets	<u>\$ 251,884</u>	<u>\$ 272,673</u>
LIABILITIES		
Current liabilities	\$ 2,532	\$ 12,379
Total liabilities	<u>\$ 2,532</u>	<u>\$ 12,379</u>
NET POSITION		
Unrestricted	\$ 249,352	\$ 260,294
Total net position	<u>\$ 249,352</u>	<u>\$ 260,294</u>

CHANGES IN NET POSITION

	Governmental Activities	
	2020	2019
General Revenues:		
Miscellaneous	\$ 12,371	\$ 20,617
Program expenses:		
Economic environment	23,313	15,972
Change in net position	<u>(10,942)</u>	<u>4,645</u>
Net position, beginning of year	260,294	255,649
Net position, end of year	<u>\$ 249,352</u>	<u>\$ 260,294</u>

BUDGETARY HIGHLIGHTS

The original budget for the Authority anticipated revenues of \$13,126, expenditures of \$12,485 and an overall anticipated increase in fund balance of \$641. There was one significant budget amendment during the year which projected an anticipated decrease in fund balance of \$11,017. This negative variance primarily occurred due to interest forgiveness that was not originally anticipated.

ECONOMIC FACTORS

We are not currently aware of any conditions that are expected to have a significant effect on the Authority's financial position or results of operations.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Housing Finance Authority of St. Johns County, PO Box 1533, St. Augustine, Florida 32085-1533.

HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY
BALANCE SHEET / STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	<u>Balance Sheet</u>		<u>Statement of</u>
	<u>General</u>		<u>Net Position</u>
	<u>Fund</u>	<u>Adjustments</u>	<u>Governmental</u>
			<u>Activities</u>
ASSETS			
Cash and cash equivalents	\$ 67,084	\$ -	\$ 67,084
Investments	2,220	-	2,220
Notes receivable, net	134,580	-	134,580
Property held for sale	48,000	-	48,000
Total assets	<u>\$ 251,884</u>	<u>\$ -</u>	<u>\$ 251,884</u>
LIABILITIES AND FUND BALANCE / NET POSITION			
Liabilities			
Accounts payable and accrued expenses	\$ 2,532	\$ -	\$ 2,532
Total liabilities	<u>2,532</u>	<u>-</u>	<u>2,532</u>
Fund balance / net position			
Fund balance:			
Nonspendable:			
Notes receivable	134,580	(134,580)	-
Assigned to:			
Subsequent year's budget	15,012	(15,012)	-
Unassigned	99,760	(99,760)	-
Net position:			
Unrestricted	-	249,352	249,352
Total fund balance / net position	<u>249,352</u>	<u>-</u>	<u>249,352</u>
Total Liabilities and Fund Balance / Net Position	<u>\$ 251,884</u>	<u>\$ -</u>	<u>\$ 251,884</u>

The accompanying notes to financial statements
are an integral part of this statement.

HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities
	General Fund	Adjustments	Governmental Activities
Revenues			
Miscellaneous revenues	\$ 12,371	\$ -	\$ 12,371
Expenditures / expenses			
Current:			
Economic environment	23,313	-	23,313
Net change in fund balance / net position	(10,942)	-	(10,942)
Fund balance / net position, beginning of year	260,294	-	260,294
Fund balance / net position, end of year	<u>\$ 249,352</u>	<u>\$ -</u>	<u>\$ 249,352</u>

The accompanying notes to financial statements
are an integral part of this statement.

HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) Summary of Significant Accounting Policies:

The financial statements of the Housing Finance Authority of St. Johns County (the Authority), have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the Authority's significant accounting policies:

(a) **Reporting entity**—The Housing Finance Authority of St. Johns County (the "Authority") was created as a Florida public corporation in accordance with the Florida Authority Law, Part IV of Chapter 159, Florida Statutes, following the adoption of an approving ordinance (No. 80-7, dated February 26, 1980) by the Board of County Commissioners of St. Johns County, Florida (the "Board"). The purpose of the Authority is to promote and support affordable housing in St. Johns County. The Authority is authorized to issue bonds to fulfill its corporate purpose in principal amounts specifically authorized by the Board.

The Board appoints the Authority Members, who serve a term of four years. The Board has the power to remove a Member of the Authority from office without cause. For financial reporting purposes the Authority is considered a component unit of St. Johns County.

The Authority uses the criteria established in Governmental Accounting Standards Board ("GASB") Statement No. 14, as amended, to identify component units. The Authority's financial statements do not contain any component units.

(b) **Basis of presentation**—The Authority's financial statements are special-purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the Rules). In conformity with the Rules, the Authority has not presented the government-wide financial statements, the reconciliations to the government-wide statements or management's discussion and analysis.

(c) **Fund accounting**—Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate for each fund type. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column.

The Authority reports the following major governmental funds;

General Fund – The principal operating fund of the Authority. It is used to account for all financial resources, except those required to be accounted for in another fund.

(d) **Measurement focus/basis of accounting**—The General Fund's financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred. The primary sources of revenues for the Authority are revenues earned in the form of bond issuance and transfer fees and interest on cash deposits, investments and notes receivable.

HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(1) **Summary of Significant Accounting Policies:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

(e) **Property held for sale**—Property held for sale consists of economic development properties and are stated at cost. Proceeds from sales are restricted as to their use. Subsequent to year end the Authority entered into a contract to sell the property for approximately \$200,000.

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

(g) **Accounts payable**—Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

(h) **Fund balance/Net position**—The Authority classifies fund balances according to a hierarchy based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Fund balance classifications are described below:

Nonspendable Fund Balance - Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Authority’s highest level of decision-making authority, which is a policy of the Authority. Committed amounts cannot be used for any other purpose unless the Authority removes those constraints by taking the same type of action.

Assigned Fund Balance - Assigned fund balances are amounts that are constrained by the Authority’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts used for specific purposes.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the General Fund and the negative residual amount in other funds.

The Authority’s policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

(i) **Use of estimates**—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(2) Deposits and Investments

All of the cash deposits of the Authority are placed with qualified public depositories and are entirely insured by Federal Depository Insurance and/or collateralized pursuant to Chapter 280, Florida Statutes.

Section 218.415, Florida Statutes, authorizes the Authority to invest in the Local Government Surplus Funds Trust Fund investment pool, Security and Exchange Commission ("SEC") registered money market funds with the highest credit quality rating, interest-bearing time deposits or savings accounts in qualified public depositories and direct obligations of the U.S. Treasury. The Authority invests temporarily idle resources in an interest-bearing time deposit with a financial institution that is a qualified public depository.

(3) Notes Receivable

The Authority has two notes receivable at September 30, 2020, each secured by a Mortgage and Security Agreement.

The first note, issued July 9, 2002, for \$110,580, has an outstanding balance of \$110,580 at September 30, 2020. Interest only payments are required monthly beginning March 27, 2016, at the rate of prime plus 1% and the principal balance is receivable in full on or before March 27, 2026. The fourth note, issued December 8, 2005, for \$37,500, was receivable in full on or before September 15, 2012, with 3% interest. Since the original due date, the Authority has deferred payment on the loan multiple times. There is currently a lien on the property. At September 30, 2020, the outstanding balance on this note was \$24,000, which is net of a \$13,500 allowance.

(4) Conduit Debt Obligations

From time to time, the Authority has issued bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from revenue generated by the project or by the company receiving the funds. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance.

Neither the Authority, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2020, there were several bonds outstanding. The aggregate principal amount payable could not be determined; however, the aggregate original issue amount was \$7,800,000.

(5) Risk Management

The Authority is exposed to various risks of loss related to general liability, property damage, and work-related injuries of independent contractors. To manage its risk, the Authority carries an umbrella insurance policy that covers all properties owned by the Authority. The Authority also carries a separate worker's compensation policy. The Authority pays annual premiums for its coverage. There were no claims paid which exceeded coverage during the last three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous revenues	\$ 13,126	\$ 12,371	\$ 12,371	\$ -
Expenditures				
Current:				
Transportation	12,485	23,388	23,313	75
Net change in fund balance	<u>641</u>	<u>(11,017)</u>	<u>(10,942)</u>	<u>(75)</u>
Fund balance, beginning of year	260,294	260,294	260,294	-
Fund balance, end of year	<u><u>\$ 260,935</u></u>	<u><u>\$ 249,277</u></u>	<u><u>\$ 249,352</u></u>	<u><u>\$ (75)</u></u>

Notes to Schedule:

The annual budget is adopted and amended by the Authority Board. The budget is prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The fund is the legal level of control.

OTHER REPORTS

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

To the Governing Board,
Housing Finance Authority of St. Johns County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Housing Finance Authority of St. Johns County (the Authority) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 30, 2021.

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.

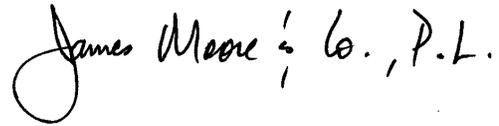
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during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

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, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large initial "J" and a stylized "M".

Daytona Beach, Florida
June 30, 2021

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Governing Board,
Housing Finance Authority of St. Johns County:

Report on the Financial Statements

We have audited the financial statements of the Housing Finance Authority of St. Johns County (the Authority), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 30, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 30, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

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

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

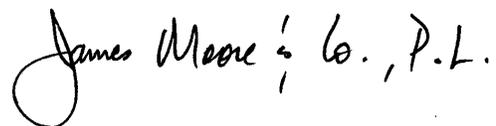
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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 State grant agencies, the Governing Board, management, and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial "J".

Daytona Beach, Florida
June 30, 2021

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Governing Board,
Housing Finance Authority of St. Johns County

We have examined the compliance of the Housing Finance Authority of St. Johns County (the Authority) with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020. 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 with the aforementioned statutes, for the year ended September 30, 2020, in all material respects. An examination involves performing procedures to obtain evidence about the Authority's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.



Daytona Beach, Florida
June 30, 2021