



**FLORIDA
DEVELOPMENT
FINANCE** CORP.

OCT 28 2021

October 22, 2021

Ms. Verdenia Baker
County Administrator
Palm Beach County
301 N. Olive Avenue, Suite 1101
West Palm Beach, Florida 33401

Re: The Florida Development Finance Corporation
Annual Reporting Requirements

You should have received our Audited Financial Statements this week, however, this cover letter should have been included; therefore, we are submitting a second package. We apologize for any confusion and/or inconvenience.

In accordance with Section 288.9610, Florida Statutes, the undersigned, on behalf of the Florida Development Finance Corporation, has enclosed the following information:

- (1) Audit results conducted pursuant to Section 11.45, Florida Statutes;
- (2) A summary of the activities, operations and accomplishments of the Florida Development Finance Corporation which were conducted during the Fiscal Year ended June 30, 2020, including the number of businesses assisted by the Corporation; and
- (3) The assets, liabilities, income and operating expenses of the Corporation during fiscal year ended June 30, 2020, including a description of all outstanding revenue bonds.

If you have any questions or concerns about this information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'WFS'.

William Franklin Spivey, Jr.
Executive Director

156 Tuskawilla Road | Suite 2340 | Winter Springs, FL 32708

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**FLORIDA DEVELOPMENT
FINANCE CORPORATION**

FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

And Reports of Independent Auditor

FLORIDA DEVELOPMENT FINANCE CORPORATION
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Report of Independent Auditor

To the Board of Directors,
Florida Development Finance Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Development Finance Corporation (“FDFC”) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the FDFC’s basic financial statements, as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor’s Responsibility

Our responsibility is to express an opinion 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 of 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 auditor’s 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Development Finance Corporation as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 6 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 October 13, 2021 on our consideration of FDFC'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 FDFC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FDFC's internal control over financial reporting and compliance.



Orlando, Florida
October 13 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

FLORIDA DEVELOPMENT FINANCE CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

This discussion and analysis of Florida Development Finance Corporation's ("FDFC") financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the report of independent auditor and the basic financial statements.

Financial Highlights

FDFC facilitated the authorization and issuance of \$1,964,207,500 in (22) new money bonds for the fiscal year ending June 30, 2021. The types of borrowers served by the FDFC bond process were 12 charter schools, 1 private school, 2 transportation facilities, 2 industrial development (manufacturing) facilities, 3 senior living facilities, and 2 solid waste disposal facilities. In all, FDFC received conduit debt application and issuance fees totaling \$1,843,314.

In addition, FDFC's Property Assessed Clean Energy ("PACE") Program facilitated the issuance of \$10,319,316 in (6) taxable residential PACE bonds and \$39,018,670 in (7) taxable commercial PACE bonds during the fiscal year ending June 30, 2021. In all, FDFC received issuance fees totaling \$243,325 for the PACE Program.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to FDFC's basic financial statements. The basic financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Basic Financial Statements

FDFC utilizes an enterprise fund for financial reporting purposes. This fund includes all activities of FDFC.

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

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

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

**FLORIDA DEVELOPMENT FINANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2021

Financial Analysis

Net Position

Net position may serve over time as a useful indicator of FDFC's financial position. FDFC's assets exceeded liabilities by \$4,645,855, representing an increase in net position for the year of \$1,207,226. The largest portion of FDFC's net position reflects cash received from bond issuance fees.

**Table A-1:
Statements of Net Position
(In thousands of dollars)**

| | Fiscal Year 2021 | Fiscal Year 2020 | Dollar Change |
|------------------------------|-----------------------------|-----------------------------|--------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 4,508 | \$ 3,339 | \$ 1,169 |
| Accounts receivable | - | 37 | (37) |
| Prepaid expenses | 41 | 31 | 10 |
| Capital assets, net | 125 | 59 | 66 |
| Total assets | <u>4,674</u> | <u>3,466</u> | <u>1,208</u> |
| Liabilities | | | |
| Accounts payable | 3 | 10 | (7) |
| Accrued expenses | 25 | 18 | 7 |
| Total liabilities | <u>28</u> | <u>28</u> | <u>-</u> |
| Net Position | | | |
| Investment in capital assets | 125 | 59 | 66 |
| Unrestricted | 4,521 | 3,379 | 1,142 |
| Total net position | <u>\$ 4,646</u> | <u>\$ 3,438</u> | <u>\$ 1,208</u> |

Total cash and cash equivalents increased largely due to operating results leading to a significant increase in net position. Total accounts receivable decreased due largely to amounts due from Renovate America in the prior year. Total capital assets increased due largely to the design plan and buildout for the office leasehold improvements in the current year.

**FLORIDA DEVELOPMENT FINANCE CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2021

Changes in Net Position

The changes in net position displayed below shows FDFC's activities during the past two fiscal years. The increase in net position for each year represents the extent to which revenues exceeded expenses during the year.

**Table A-2:
Statements of Revenues, Expenses, and Changes in Net Position
(In thousands of dollars)**

| | Fiscal Year 2021 | Fiscal Year 2020 | Dollar Change |
|---------------------------------|---------------------|---------------------|------------------|
| Revenue: | | | |
| Fees | \$ 2,574 | \$ 1,250 | \$ 1,324 |
| Other revenue | 8 | 140 | (132) |
| Total revenue | <u>2,582</u> | <u>1,390</u> | <u>1,192</u> |
| Expenses: | | | |
| General and administrative | | | |
| Salaries and wages | 887 | 785 | 102 |
| Professional fees | 102 | 111 | (9) |
| Other | 243 | 200 | 43 |
| Program: | | | |
| PACE program | 126 | 207 | (81) |
| FRED | 16 | 19 | (3) |
| Total expenses | <u>1,374</u> | <u>1,322</u> | <u>52</u> |
| Change in Net Position | 1,208 | 68 | 1,140 |
| Net Position, beginning of year | <u>3,438</u> | <u>3,370</u> | <u>68</u> |
| Net Position, end of year | <u>\$ 4,646</u> | <u>\$ 3,438</u> | <u>\$ 1,208</u> |

The increase in revenue is due to the issuance of 13 more traditional bonds than in prior year. Other revenue decreased due largely to decreases in interest income and PACE reimbursables. Interest income decreased as a result of the low interest rate environment. The increase in salaries and wages was a result of raises and hiring of a bond program manager. PACE program expenses decreased due to nonrecurring consulting expenses ending in August 2020 and reduction in travel due to COVID-19 impacts.

FLORIDA DEVELOPMENT FINANCE CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Economic Factors

FDFC's primary business is the issuance of tax exempt revenue bonds, which are permissible under the U.S. Internal Revenue Service's private activity regulations and Chapter 288, Part X, Florida Statutes. Those regulations, subject to a number of limitations and restrictions, allow certain borrower and project types, such as small manufacturers and non-profit corporations, to finance capital assets with tax exempt bond proceeds.

FDFC's revenues are exclusively generated by fees charged for issuance of bonds, and the volume of bond issuance can be directly impacted by general economic and perception of policies for conduit issuance by potential borrowers and their finance team. The capital market has functioned in an artificially low interest-rate environment for an extended period of time since COVID-19 impacted the U.S.

Requests for Information

This financial report is designed to provide a general overview of FDFC's finances for all those with an interest in FDFC's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Bill Spivey
Executive Director
156 Tuskawilla Road, Suite 2340
Winter Springs, Florida 32708

BASIC FINANCIAL STATEMENTS

FLORIDA DEVELOPMENT FINANCE CORPORATION
STATEMENT OF NET POSITION

JUNE 30, 2021

ASSETS

Current Assets:

| | | |
|---------------------------|----|----------------|
| Cash and cash equivalents | \$ | 4,508,114 |
| Prepaid expenses | | 40,627 |
| Capital assets, net | | <u>124,931</u> |

Total Assets 4,673,672

LIABILITIES

Current Liabilities:

| | | |
|------------------|--|---------------|
| Accounts payable | | 2,857 |
| Accrued expenses | | <u>24,960</u> |

Total Liabilities 27,817

NET POSITION

| | | |
|----------------------------------|--|------------------|
| Net investment in capital assets | | 124,931 |
| Unrestricted | | <u>4,520,924</u> |

Total Net Position 4,645,855

FLORIDA DEVELOPMENT FINANCE CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2021

| | |
|--|---------------------|
| Revenues | |
| Conduit debt application and issuance fees | \$ 1,843,314 |
| Conduit debt reimbursement revenues | 1,802 |
| PACE program fees | 730,393 |
| Interest and other | 6,497 |
| Total Revenues | <u>2,582,006</u> |
| Expenses | |
| Salaries and wages | 887,447 |
| PACE program direct expenses | 141,915 |
| Professional fees | 102,454 |
| Other | 242,964 |
| Total Expenses | <u>1,374,780</u> |
| Increase in Net Position | 1,207,226 |
| Net Position, Beginning of Year | <u>3,438,629</u> |
| Net Position, End of Year | <u>\$ 4,645,855</u> |

FLORIDA DEVELOPMENT FINANCE CORPORATION
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

| | |
|---|---------------------|
| Cash Flows From Operating Activities: | |
| Receipts from fees and expense reimbursements | \$ 2,614,009 |
| Payments to service providers | (1,355,449) |
| Interest received | 4,497 |
| Net Cash Provided by Operating Activities | <u>1,263,057</u> |
| Cash Flows From Investing Activities: | |
| Purchase of leasehold improvements | (94,296) |
| Net Cash Used in Investing Activities | <u>(94,296)</u> |
| Net Increase in Cash and Cash Equivalents | 1,168,761 |
| Cash and Cash Equivalents, Beginning of Year | <u>3,339,353</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 4,508,114</u> |
| | - |
| Reconciliation of Increase in Net Position to Net Cash | |
| Provided by Operating Activities: | |
| Increase in net position | \$ 1,207,226 |
| Adjustments to reconcile increase in net position to net cash provided by operating activities: | |
| Depreciation | 28,716 |
| Changes in: | |
| Accounts receivable | 36,500 |
| Prepaid expenses | (9,465) |
| Accounts payable | (6,753) |
| Accrued expenses | 6,833 |
| Net Cash Provided by Operating Activities | <u>\$ 1,263,057</u> |

FLORIDA DEVELOPMENT FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 1 – Summary of Significant Accounting Policies

A. Reporting Entity

Florida Development Finance Corporation ("FDFC") is an independent entity constituted as a public instrumentality of local government, created to facilitate economic development in Florida by working in partnership with the Florida financial services industry and local development organizations to create access to competitive sources of finance for creditworthy borrowers and other firms contributing to job creation and the economic base of Florida. FDFC's bond programs provide access to capital for project development through tax exempt and taxable financing. This includes financing to stimulate and assist in the expansion of all kinds of for-profit and not-for-profit business activity, a portion of which consists of residential and commercial bonds through the Property Assessed Clean Energy ("PACE") Program. As of January 2021, the FDFC is no longer supporting Residential PACE due to Renovate America's exit.

FDFC was formed pursuant to Florida Statutes, Chapter 288, Part X and all acts supplemental thereto and amendatory thereof. FDFC is governed by a seven member board of directors, five of which are appointed by the Governor, subject to confirmation of the Senate, one representative from the Florida Department of Economic Opportunity, and one representative from the Florida Division of Bond Finance. Each board member appointed by the Governor serves a term of four years. The current statutory provisions reflect a related party relationship with the State of Florida, whereas the State of Florida does not impose its will on FDFC. Accordingly, FDFC does not meet the criteria provided by the Governmental Accounting Standards Board for being a component unit of the State of Florida.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 14, as amended, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise FDFC. Component units are legally separate entities for which FDFC (the primary entity) has financial accountability. Financial accountability is defined as the ability of the primary entity to appoint a voting majority of an organization's governing body and either (1) impose its will over the organization or (2) there is a potential that the organization will provide a specific financial benefit to, or impose a specific financial burden on the primary entity. Financial accountability may also arise if an organization is fiscally dependent on and has a fiscal benefit or burden relationship with the primary government. Using these criteria, FDFC has no component units.

B. Measurement Focus and Basis of Accounting

FDFC is accounted for as an enterprise fund. The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are reported when the liability is incurred, regardless of the timing of the related cash flows.

FDFC financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, including application of all relevant GASB pronouncements.

C. Deposits and Investments

FDFC places its cash on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all deposit accounts. At June 30, 2021, FDFC had approximately \$1,311,000 in excess of the insured amounts. Management believes the associated risk is minimized by placing such assets in quality financial institutions that are designated as qualified public depositories.

FDFC's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term, highly liquid investments with original maturities of three months or less. Investments classified as cash equivalents include amount placed with the Florida Surplus Asset Fund Trust ("FL SAFE").

FLORIDA DEVELOPMENT FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

FDFC's investment in the FL SAFE is a qualifying local government investment pool and was assigned a rating of "AAAm" by the Standard and Poor's Rating Service. As of June 30, 2021, FDFC had a balance of \$2,988,603 in the FL SAFE. FDFC's position in the pool is valued based on amortized cost, which approximates fair value, and is treated as a cash equivalent in financial statement presentation. The FL SAFE has no limitations or restrictions on withdrawals.

C. Deposits and Investments (continued)

FDFC follows the investment policy of Florida Statute §218.415, which states that units of local government electing not to adopt a written investment policy may invest or reinvest any surplus public funds in their control or possession in (1) the Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, (2) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, (3) interest-bearing time deposits or savings accounts in qualified public depositories, and (4) direct obligations of the U.S. Treasury.

D. Capital Assets

Capital assets consist of computers and equipment, furniture and fixtures, and leasehold improvements, stated at cost when purchased or constructed. The threshold for capitalization of assets is \$1,000. Expenses for maintenance and repairs are charged to operations. Provisions for depreciation are made using the straight-line method, based upon either the useful life of assets or the term of the associated lease.

E. Conduit Debt Issuance Fees

Issuance fees paid by borrowers for conduit debt obligations are generally recognized as revenue in the period the bonds are issued; however, application fees are not refundable and are recognized when received.

F. Reimbursement Revenues

Revenues recognized as reimbursement for conduit debt projects and the PACE program are recorded in the same period as related expenses are incurred.

G. Use of Estimates

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

H. Income Taxes

FDFC is a not-for-profit corporation and has been determined by the Internal Revenue Service to be a 501(c)(4) organization exempt from taxes under Section 501(a) of the Internal Revenue Code. Accordingly, no provision has been made for income taxes.

FLORIDA DEVELOPMENT FINANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

I. FDFC PACE Program Agreement with FRED

During fiscal 2017, FDFC entered into an agreement with the Florida Resiliency and Energy District ("FRED"), a separate legal entity authorized to facilitate the levy and collection of special assessments as the repayment mechanism of PACE finances pursuant to Section 163.01(14), Florida Statutes. Under the agreement, FDFC serves as FRED's agent for purposes of executing Financing Agreements with property owners on behalf of FRED pursuant to Section 163.08(6), Florida Statutes, for purposes of administering the FDFC PACE Program within the boundaries of FRED and for ensuring compliance with the Florida PACE Act.

Note 2 – Capital Assets

The following is a summary of changes in capital assets during the year ended June 30, 2020:

| | Balance at | | | Balance at |
|------------------------------------|------------|-----------|-----------|------------|
| | July 1, | | Deletions | June 30, |
| | 2020 | Additions | | 2021 |
| Capital assets: | | | | |
| Leasehold improvements | \$ 45,032 | \$ 94,296 | \$ - | \$ 139,328 |
| Computers and equipment | 43,258 | - | - | 43,258 |
| Furniture and fixtures | 4,517 | - | - | 4,517 |
| Total capital assets | 92,807 | 94,296 | - | 187,103 |
| Less accumulated depreciation for: | | | | |
| Leasehold improvements | 9,092 | 14,512 | - | 23,604 |
| Computers and equipment | 24,040 | 13,752 | - | 37,792 |
| Furniture and fixtures | 324 | 452 | - | 776 |
| Total accumulated depreciation | 33,456 | 28,716 | - | 62,172 |
| Capital assets, net | \$ 59,351 | \$ 65,580 | \$ - | \$ 124,931 |

FDFC's total depreciation expense was \$28,716 for the year ended June 30, 2021.

Note 3 - Related Party Transactions

FDFC enters into bond financing transactions on behalf of borrowers with various financial institutions and investors whereby bond documents have been approved by FDFC's Board of Directors. Certain Board members may be affiliated with financial institutions, which issue term sheets to purchase the bonds. In such cases, these Board members would recuse themselves from voting on items with such affiliation. It is management's opinion that these transactions have been conducted at arm's length.

FLORIDA DEVELOPMENT FINANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 4 – Commitments and Contingencies

FDFC is obligated under an operating lease for the office building. At June 30, 2021, future minimum lease payments under the operating lease are as follows for the years ending June 30:

| | | |
|------|----|---------------|
| 2022 | \$ | 49,020 |
| 2023 | | 24,871 |
| | \$ | <u>73,891</u> |

FDFC's total lease expenses were \$47,593 for the year ended June 30, 2021, and are included in other expenses.

Note 5 - Conduit Debt

In accordance with its mission and Chapter 288, Part X, Florida Statutes, FDFC has facilitated the issuance of debt obligations whereby FDFC is merely a conduit issuer of bonds issued on behalf of borrowers. These bonds do not constitute a general debt, liability or obligation of FDFC, the State of Florida, or any local government.

Additionally, FDFC has assigned all rights to receive payments from the borrowers to the bond purchaser in all bond financing transactions. Assigned payments are not included in the accompanying basic financial statements.

Changes in PACE residential and commercial bonds conduit debt outstanding for the year ended June 30, 2021 are as follows:

| | Balance at July 1, 2020 | Additions | Reductions* | Balance at June 30, 2021 |
|-----------------------------|-------------------------------|----------------------|----------------------|--------------------------------|
| 2019 PACE Residential Bonds | \$ 20,166,954 | \$ - | \$ 7,356,836 | \$ 12,810,118 |
| 2020 PACE Residential Bonds | 42,120,166 | - | 6,511,917 | 35,608,249 |
| 2020 PACE Commercial Bonds | 17,339,995 | - | 7,072,717 | 10,267,278 |
| 2021 PACE Residential Bonds | - | 10,319,316 | 691,527 | 9,627,789 |
| 2021 PACE Commercial Bonds | - | 39,018,670 | - | 39,018,670 |
| Total PACE Bonds | <u>\$ 79,627,115</u> | <u>\$ 49,337,986</u> | <u>\$ 21,632,997</u> | <u>\$ 107,332,104</u> |

*Note: Reductions in principal result from annual special assessment collections and full or partial prepayments.

FLORIDA DEVELOPMENT FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Note 5 - Conduit Debt (continued)

Changes in other bonds conduit debt outstanding for the year ended June 30, 2021 are as follows:

| | Balance at June 30, 2020 | Additions | Reductions | Balance at June 30, 2021 |
|---|-----------------------------|------------------|------------------|-----------------------------|
| 2002 Series C4 Serigraphics Arts, Inc. | \$ 150,000 | \$ - | \$ 50,000 | \$ 100,000 |
| 2008 Series A Sculptor Charter School | 4,290,000 | - | 100,000 | 4,190,000 |
| 2009 Series Center Court Properties, Inc. | 1,200,000 | - | 100,000 | 1,100,000 |
| 2009 Series Airport Properties Partners, LLC | 10,610,000 | - | 230,000 | 10,380,000 |
| 2010 Series Lake Eola Charter Schools Foundation, Inc. | 1,263,433 | - | 1,263,433 | - |
| 2010 Series A&B Renaissance Charter Schools, Inc. | 5,974,460 | - | 5,974,460 | - |
| 2011 Series A&B Bay Area Charter Foundation, LLC | 31,820,000 | - | 31,820,000 | - |
| 2012 Series Sculptor Charter School | 675,000 | - | 10,000 | 665,000 |
| 2012 Series A&B Montverde Academy, Inc. | 3,780,000 | - | 315,000 | 3,465,000 |
| 2012 Series A&B Renaissance Charter Schools, Inc. | 53,450,000 | - | 1,030,000 | 52,420,000 |
| 2013 Series A&B Renaissance Charter Schools, Inc. | 74,530,000 | - | 1,420,000 | 73,110,000 |
| 2013 Series A&B UF Health-Jacksonville | 96,760,000 | - | 3,775,000 | 92,985,000 |
| 2014 Series A&B Miami Arts, Inc. | 32,110,000 | - | 650,000 | 31,460,000 |
| 2014 Series A&B Renaissance Charter Schools, Inc. | 48,995,000 | - | 950,000 | 48,045,000 |
| 2014 Series A&B Downtown Doral Charter School, Inc. | 21,480,000 | - | 380,000 | 21,100,000 |
| 2014 Series A&B FL Charter Educational Foundation, Inc. | 13,620,000 | - | 220,000 | 13,400,000 |
| 2014 Series A American Public Media Group | 8,885,000 | - | 355,000 | 8,530,000 |
| 2015 Series A Divine Savior Lutheran Academy | 27,045,433 | - | 772,640 | 26,272,793 |
| 2015 Series A&B Renaissance Charter Schools, Inc. | 89,260,000 | - | 1,365,000 | 87,895,000 |
| 2015 Series A&B UF Health- Jacksonville | 85,000,000 | - | - | 85,000,000 |
| 2015 Series A&B Tuscan Isle Property, LLC | 51,170,000 | - | - | 51,170,000 |
| 2016 Cypress Point Living, LLC | 27,050,000 | - | 245,000 | 26,805,000 |
| 2016 Series A&B The Pepin Academies, Inc. | 11,990,000 | - | 190,000 | 11,800,000 |
| 2016 Series A&B Franklin Academy | 48,235,000 | - | 955,000 | 47,280,000 |
| 2016 Series A The Pine School, Inc. | 6,418,300 | - | 218,900 | 6,199,400 |
| 2016 Series A&B Florida Charter Educational Foundation | 38,800,000 | - | 620,000 | 38,180,000 |
| 2017 Series A&B Classical Preparatory, Inc. | 9,905,000 | - | 165,000 | 9,740,000 |
| 2017 Series A&B Palm Bay Academy, Inc. | 8,000,000 | - | - | 8,000,000 |
| 2017 Series C&D Palm Bay Academy, Inc. | 3,780,000 | - | - | 3,780,000 |
| 2017 Series E&F Palm Bay Academy, Inc. | 2,970,000 | - | - | 2,970,000 |
| 2017 Series A&B Southwest Charter Foundation, Inc. | 39,260,000 | - | 595,000 | 38,665,000 |
| 2017 Series A&B Downtown Doral Charter School, Inc. | 6,125,000 | - | 190,000 | 5,935,000 |
| 2017 Series C&D Downtown Doral Charter School, Inc. | 39,245,000 | - | 255,000 | 38,990,000 |
| 2017 Series Waste Pro USA, Inc. | 32,500,000 | - | - | 32,500,000 |
| 2018 Series A&B Classical Preparatory, Inc. | 4,420,000 | - | 70,000 | 4,350,000 |
| 2018 Series A&B Learning Gate Community School, Inc. | 8,905,000 | - | 145,000 | 8,760,000 |
| 2018 Series A Midtown Campus Properties, LLC | 77,820,000 | - | - | 77,820,000 |
| 2018 Series A Central Florida Fair, Inc. | 5,000,000 | - | - | 5,000,000 |
| 2019 Series A&B Imagine School Broward | 19,175,000 | - | - | 19,175,000 |
| 2019 Series A&B Athenian Academy | 18,425,000 | - | - | 18,425,000 |
| 2019 Series A Virgin Trains USA | 1,750,000,000 | - | 210,000,000 | 1,540,000,000 |
| 2019 Virgin Trains USA Escrow | 950,000,000 | - | 950,000,000 | - |
| 2019 Series A&B UF Jacksonville Physicians, Inc. | 28,260,000 | - | 1,740,000 | 26,520,000 |
| 2019 Series Waste Pro USA, Inc. | 46,515,000 | - | - | 46,515,000 |
| 2019 Series A&B Classical Preparatory, Inc. | 5,025,000 | - | 75,000 | 4,950,000 |
| 2020 Series A&B San Jose Academy | 21,000,000 | - | - | 21,000,000 |
| 2019 Series A UF Jacksonville Physicians, Inc. | 20,000,000 | - | - | 20,000,000 |
| 2019 Series A-1 Brightline Trains Florida LLC (f/k/a Virgin Trains USA Florida LLC) | - | 210,000,000 | - | 210,000,000 |
| 2019 Series B Brightline Trains Florida LLC (f/k/a Virgin Trains USA Florida LLC) | - | 950,000,000 | - | 950,000,000 |
| 2020 Series A&B Cornerstone Classical Academy | 16,960,000 | - | - | 16,960,000 |
| 2020 Series A&B Renaissance Charter Schools, Inc. | 96,015,000 | - | 945,000 | 95,070,000 |
| 2020 Series A&B The Pepin Academies | 11,365,000 | - | - | 11,365,000 |
| 2020 Series A&B Nova Southeastern University | 234,750,000 | - | 11,325,000 | 223,425,000 |
| 2020 Series A&B Tampa Life Plan Village, Inc. | - | 69,965,000 | - | 69,965,000 |
| 2020 Series C&D Renaissance Charter School, Inc. (2010 Ref) | - | 66,180,000 | - | 66,180,000 |
| 2020 Series A&B United Cerebral Palsy of Central Florida, Inc. | - | 14,415,000 | - | 14,415,000 |
| 2020 Series A Foundation Academy of Winter Garden, Inc. | - | 7,000,000 | - | 7,000,000 |
| 2020 Series A&B Discovery High School, Inc. | - | 27,080,000 | - | 27,080,000 |
| 2020 Series A&B&C Archimedean Academy, Inc. | - | 22,976,000 | - | 22,976,000 |
| 2020 Series A Mater Academy Foundation | - | 127,450,000 | - | 127,450,000 |
| 2020 Series A&B A-1 Roof Trusses Ltd. Company | - | 17,016,005 | - | 17,016,005 |
| 2020 Series C&D River City Education Org., Inc. d.b.a. San Jose Academy | - | 3,000,000 | - | 3,000,000 |
| 2020 Series A Mayflower Retirement Center, Inc. | - | 60,135,000 | - | 60,135,000 |
| 2020 Series A&B&C Bay Area Charter Foundation, LLC | - | 63,450,000 | - | 63,450,000 |
| 2020 Series A&B&C Global Outreach Charter Academy | - | 18,403,495 | 18,403,495 | - |
| 2021 Series A&B&C Naples Classical Academy | - | 24,680,000 | - | 24,680,000 |
| 2021 Series A&B River City Science Academy | - | 34,865,000 | - | 34,865,000 |
| 2021 Series A&B Oak Creek Charter School of Bonita Springs | - | 17,825,000 | - | 17,825,000 |
| 2021 Series A&B Roswell US LLC | - | 7,922,000 | - | 7,922,000 |
| 2021 Series A Glenridge on Palmer Ranch | - | 89,250,000 | - | 89,250,000 |
| 2021 Series A Waste Pro USA | - | 105,175,000 | - | 105,175,000 |
| 2021 Series A&B Global Outreach Charter Academy | - | 23,720,000 | - | 23,720,000 |
| 2021 Series A IMG Holding, LLC | - | 3,700,000 | - | 3,700,000 |
| Total Other Bonds | \$ 4,249,981,626 | \$ 1,964,207,500 | \$ 1,246,917,928 | \$ 4,967,271,198 |

**SUPPLEMENTARY REPORT OF
INDEPENDENT AUDITOR**

Report of Independent Auditor 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,
Florida Development Finance Corporation:

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 Florida Development Finance Corporation ("FDFC") as of and for the year ended June 30, 2021 and the related notes to the financial statements, and have issued our report thereon dated October 13, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FDFC'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.



Orlando, Florida
October 13, 2021