

2021

Housing Finance Authority of Marion County, Florida

Financial Statements  
and Independent Auditor's Report

September 30, 2021

**PURVIS GRAY**

CERTIFIED PUBLIC ACCOUNTANTS

**HOUSING FINANCE AUTHORITY OF MARION COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Management's Discussion and Analysis (MD&A) is intended to provide an objective analysis of the Housing Finance Authority of Marion County, Florida's (the Authority) financial activities based on currently known facts, decisions, and conditions for the fiscal year ended September 30, 2021. This analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of financial activity, and identify changes in financial position. This MD&A should be read in conjunction with the Authority's financial statements and footnotes.

The Authority's mission is to alleviate the shortage of affordable residential housing facilities for low, moderate, and middle income families in Marion County, Florida. In pursuit of its mission, the Authority borrows money through the issuance of bonds, notes, or other obligations to finance single family residential housing and multi-family housing developments. The Authority also provides loans and grants for the acquisition, construction, renovation, and operation of residential housing facilities.

In connection with its past single family mortgage revenue bond programs, the Authority has made cash contributions and has forgiven loans. At times, the Authority has made loans and grants to accomplish its public purpose. The grants may substantially impact the Authority's expenses in a single fiscal year and cause significant variation from year to year.

**FINANCIAL HIGHLIGHTS**

- As of September 30, 2021, the assets of the Authority exceeded the liabilities by \$4,279,649.
- The Authority's cash balances as of September 30, 2021, were \$236,781, representing a decrease of \$100,087 from the prior fiscal year balance.
- The Authority's overall net position totaled \$4,279,649 as of the year ended September 30, 2021, as compared to \$4,032,178 as of the year ended September 30, 2020. Net position increase is primarily due to the increase in capital assets.
- As of September 30, 2021, the Authority's operating revenue had an increase of \$73,650 over the previous year's operating revenue. This is due to the increase of rental income as the Authority has more homes rented out.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements included in this annual report are those of a special-purpose government engaged in a single business-type activity prepared on an accrual basis. Over time, significant changes in the Authority's net position serve as a useful indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any authority, the reader must also consider non-financial factors, such as changes in economic conditions and changes in government legislation and regulations. The following statements are included:

- Statement of Net Position - this statement reports the Authority's assets less its liabilities at the end of the fiscal year. The Authority's net position is the difference between the Authority's rights (assets) and the Authority's obligations (liabilities).

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- Statement of Revenues, Expenses, and Changes in Net Position - this statement presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and cash outflows in future periods.
- Statement of Cash Flows - this statement presents information showing the total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operating, investing, and financing activities. The statement reflects the receipt or disbursement of cash that was obligated to, or paid by, the Authority in prior periods and subsequently received or paid during the current fiscal year (i.e. receivables and payables).
- Notes to Financial Statements - the notes to financial statements provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, the notes reflect the impact (if any) of any uncertainties the Authority may face.

**FINANCIAL ANALYSIS**

**CONDENSED STATEMENTS OF NET POSITION**

	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Current Assets	\$ 576,078	\$ 550,255	\$ 25,823
Non-Current Assets	<u>3,830,713</u>	<u>3,505,062</u>	<u>325,651</u>
<b>Total Assets</b>	<b>4,406,791</b>	<b>4,055,317</b>	<b>351,474</b>
Current Liabilities	<u>127,142</u>	<u>23,139</u>	<u>(104,003)</u>
<b>Total Net Position</b>	<b><u>\$ 4,279,649</u></b>	<b><u>\$ 4,032,178</u></b>	<b><u>\$ 247,471</u></b>

Current assets increased primarily because of an increase in the balance of capital assets, net due to the Authority acquiring more properties to serve its purpose. Current liabilities increased primarily due to an increase in customer deposits during the current fiscal year as more homes were rented than in previous years.

**CONDENSED STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION**

	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Operating Revenues	\$ 316,100	\$ 242,450	\$ 73,650
Non-Operating Revenues	<u>232,270</u>	<u>1,314</u>	<u>230,956</u>
<b>Total Revenues</b>	<b><u>548,370</u></b>	<b><u>243,764</u></b>	<b><u>304,606</u></b>
Operating Expenses	477,341	426,095	51,246
Non-Operating Expenses	<u>266,368</u>	<u>-</u>	<u>266,368</u>
<b>Total Expenses</b>	<b><u>743,709</u></b>	<b><u>426,095</u></b>	<b><u>317,614</u></b>
<b>Income (Loss) before Contributions</b>	<b>(195,339)</b>	<b>(182,331)</b>	<b>(13,008)</b>
Capital Contributions	<u>442,810</u>	<u>602,545</u>	<u>(159,735)</u>
<b>Change in Net Position</b>	<b>247,471</b>	<b>420,214</b>	<b>(172,743)</b>
Net Position - Beginning	<u>4,032,178</u>	<u>3,611,964</u>	<u>420,214</u>
<b>Net Position - End</b>	<b><u>\$ 4,279,649</u></b>	<b><u>\$ 4,032,178</u></b>	<b><u>\$ 247,471</u></b>

**HOUSING FINANCE AUTHORITY OF MARION COUNTY, FLORIDA  
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Operating revenues increased primarily due to the increase in rental income. Operating expenses increased primarily due to an increase in grant expenses, depreciation, and contract services.

**CAPITAL ASSETS ACTIVITY**

The Authority's investment in capital assets as of September 30, 2021, amounts to \$3,830,713. This investment in capital assets includes land and buildings. The total increase in the Authority's investment in capital assets for the current fiscal year was 9.29%. The increase is primarily due to the addition of six properties obtained by the Authority throughout the fiscal year. Of the six properties, two of the homes were placed on lots previously owned by the Authority.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Housing Finance Authority of Marion County, PO Box 3102, Ocala, Florida 34478-3102.

## MANAGEMENT LETTER

The Board Members  
Housing Finance Authority of Marion County, Florida  
Ocala, Florida

### Report on the Financial Statements

We have audited the financial statements for the Housing Finance Authority of Marion County, Florida (the Authority), a component unit of Marion County, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 29, 2022.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants 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 March 29, 2022, 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 associated 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. The name or official title and legal authority are disclosed in Note 1 to the financial statements. The Authority has no component units.

## CERTIFIED PUBLIC ACCOUNTANTS

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An Independent Member of the BDO Alliance USA

The Board Members  
Housing Finance Authority of Marion County, Florida  
Ocala, Florida

## MANAGEMENT LETTER

### Financial Condition and Management

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

### Specific Information

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 1 employee.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year as 12.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$2,700.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$119,819.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before beginning on the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as none.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Authority. 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 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.

### Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

The Board Members  
Housing Finance Authority of Marion County, Florida  
Ocala, Florida

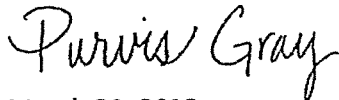
**MANAGEMENT LETTER**

**Addition Matters**

Section 10.554(1)(i)3., *Rules of Auditor General*, requires us to communicate non-compliance 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

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



March 29, 2022  
Ocala, Florida