

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

**FINANCIAL STATEMENTS**

**Year Ended September 30, 2021**

# C O N T E N T S

---

	<u>Page Number</u>
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
<i>BASIC FINANCIAL STATEMENTS</i>	
Statement of Net Position and Governmental Fund Balance Sheet	6
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	7
Notes to Financial Statements	8
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	13
<b>COMPLIANCE SECTION</b>	
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>	14
INDEPENDENT ACCOUNTANT'S REPORT	16
INDEPENDENT AUDITOR'S MANAGEMENT LETTER	17



## INDEPENDENT AUDITOR'S 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 General Fund of the Housing Finance Authority of St. Johns County (the "Authority") as of and for the fiscal year ended September 30, 2021, 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***

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 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 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 Authority'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 Authority'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.

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

### ***Opinions***

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of the Authority as of September 30, 2021, and the respective changes in financial position thereof for the fiscal year then ended in conformity 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 and budgetary comparison schedule, 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 20, 2022 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 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 the 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.

***MSL, P.A.***

Certified Public Accountants

Orlando, Florida  
June 20, 2022

## **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, 2021. Please read it in conjunction with the Authority's financial statements, which follow this section.

### **Overview of the 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	
	2021	2020
ASSETS		
Current assets	\$ 408,617	\$ 251,884
<b>Total assets</b>	<u>408,617</u>	<u>251,884</u>
LIABILITIES:		
Current liabilities	2,210	2,532
<b>Total liabilities</b>	<u>2,210</u>	<u>2,532</u>
NET POSITION:		
Unrestricted	406,407	249,352
<b>Total net position</b>	<u>\$ 406,407</u>	<u>\$ 249,352</u>

	Changes in Net Position	
	2021	2020
<b>General revenues:</b>		
Miscellaneous revenues	\$ 186,656	\$ 12,371
<b>Program expenses:</b>		
Economic environment	29,601	23,313
Change in net position	157,055	(10,942)
Net position – beginning of year	249,352	260,294
Net position – ending of year	<u>\$ 406,407</u>	<u>\$ 249,352</u>

### Budgetary Highlights

The original budget for the Authority anticipated revenues of \$12,213, expenditures of \$9,225 and an overall anticipated increase in fund balance of \$2,988. There was one significant budget amendment during the year which projected an anticipated increase in fund balance of \$157,055. This positive variance primarily occurred due to a gain on the sale of property 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**

**STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET**

**September 30, 2021**

	Balance Sheet General Fund	Adjustments	Statement of Net Position Governmental Activities
<b>ASSETS</b>			
Cash and cash equivalents	\$ 266,849	\$ -	\$ 266,849
Accounts receivable	7,188	-	7,188
Notes receivable, net	134,580	-	134,580
TOTAL ASSETS	\$ 408,617	-	408,617
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 2,210	-	2,210
TOTAL LIABILITIES	2,210	-	2,210
<b>FUND BALANCES/NET POSITION</b>			
Fund balances:			
Nonspendable			
Note receivable	134,580	(134,580)	-
Unassigned	271,827	(271,827)	-
TOTAL FUND BALANCES	406,407	(406,407)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 408,617		
Net position:			
Unrestricted		406,407	406,407
TOTAL NET POSITION		\$ 406,407	\$ 406,407

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



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

**STATEMENT OF ACTIVITIES AND  
GOVERNMENTAL FUND REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES**

**Year Ended September 30, 2021**

	<u>Statement of Revenues, Expenditures, and Changes in Fund Balance</u>		<u>Statement of Activities</u>
	<u>General Fund</u>	<u>Adjustments</u>	<u>Governmental Activities</u>
REVENUES			
Miscellaneous Revenues	\$ 186,656	\$ -	\$ 186,656
TOTAL REVENUES	<u>186,656</u>	<u>-</u>	<u>186,656</u>
EXPENDITURES/EXPENSES			
Current:			
Economic environment	29,601	-	29,601
TOTAL EXPENDITURES/EXPENSES	<u>29,601</u>	<u>-</u>	<u>29,601</u>
NET CHANGE IN FUND BALANCE/NET POSITION	157,055	-	157,055
FUND BALANCES/NET POSITION			
Beginning of the year	<u>249,352</u>	<u>-</u>	<u>249,352</u>
End of the year	<u>\$ 406,407</u>	<u>\$ -</u>	<u>\$ 406,407</u>

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

# HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2021

### NOTE 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 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 GASB Statement No. 14, as amended, to identify component units. The Authority's financial statements do not contain any component units.

- (b) **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 fund:

*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.

# HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2021

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

- (c) **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.

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.

- (d) **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. During fiscal year 2021, the Authority sold the property for approximately \$200,000.
- (e) **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.
- (f) **Accounts payable** - Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

# HOUSING FINANCE AUTHORITY OF ST. JOHNS COUNTY

## NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2021

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

- (g) **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.

- (h) **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

Year Ended September 30, 2021

### NOTE 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.

### NOTE 3 - NOTES RECEIVABLE

The Authority has two notes receivable at September 30, 2021, 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, 2021. 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 second note, issued December 8, 2005, for \$37,500, was received 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, 2021, the outstanding balance on this note was \$24,000, which is net of a \$13,500 allowance.

### NOTE 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, St. Johns County, the State of Florida, 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, 2021, there were several bonds outstanding. The aggregate principal amount payable could not be determined; however, the aggregate original issue amount was \$29,300,000.

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

## **NOTES TO FINANCIAL STATEMENTS**

**Year Ended September 30, 2021**

### **NOTE 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  
CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND**

**Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
GENERAL FUND				
Revenues:				
Miscellaneous Revenues	\$ 12,213	\$ 186,656	\$ 186,656	\$ -
TOTAL REVENUES	<u>12,213</u>	<u>186,656</u>	<u>186,656</u>	<u>-</u>
EXPENDITURES				
Current:				
Economic Environment	9,225	29,601	29,601	-
TOTAL EXPENDITURES	<u>9,225</u>	<u>29,601</u>	<u>29,601</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,988	157,055	157,055	-
FUND BALANCE - BEGINNING	<u>249,352</u>	<u>249,352</u>	<u>249,352</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 252,340</u></u>	<u><u>\$ 406,407</u></u>	<u><u>\$ 406,407</u></u>	<u><u>\$ -</u></u>

Note: This schedule is prepared on the basis of generally accepted accounting principles.



## **COMPLIANCE SECTION**



**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 Governing Board,  
Housing Finance Authority of St. Johns County

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 Housing Finance Authority of St. Johns County (the "Authority") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's financial statements and have issued our report thereon dated June 20, 2022.

**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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, 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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Authority in a separate management letter and Independent Accountant's Report dated June 20, 2022.

### **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 Authority'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.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
June 20, 2022



## INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the Housing Finance Authority of St. Johns County (the "Authority") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2021. 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 is in accordance with those requirements, 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 the risks of 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. 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, 2021.

*MSL, P.A.*

Certified Public Accountants

Orlando, Florida  
June 20, 2022



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

### **Report on the Financial Statements**

We have audited the basic financial statements of the Housing Finance Authority of St. Johns County (the "Authority") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 20, 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 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 dated June 20, 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 recommendations made in the preceding 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 legal authority is disclosed in the notes to the financial statements.

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

### **Financial Condition**

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we 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 of the 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 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 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.

### **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 218.38(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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, the Authority reported:

- a. The total number of Authority employees compensated in the last pay period of the Authority's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$1,500.
- e. Each construction project with a total cost of at least \$65,000 approved by the Authority 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 \$0.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Authority amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$20,376.

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

**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 other granting agencies, the Governing Board, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
June 20, 2022