

PALM BEACH COUNTY HOUSING AUTHORITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**PALM BEACH COUNTY HOUSING AUTHORITY
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2025**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	10
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	12
STATEMENT OF CASH FLOWS	13
NOTES TO FINANCIAL STATEMENTS	15
SUPPLEMENTARY INFORMATION	
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION	37
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION	41
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION – BLENDED COMPONENT UNIT	47
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION – BLENDED COMPONENT UNIT	48
SINGLE AUDIT 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 <i>GOVERNMENT AUDITING STANDARDS</i>	50
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE	52
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	55
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	56
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	58
CORRECTIVE ACTION PLAN	A-1
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	A-2



INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Palm Beach County Housing Authority
West Palm Beach, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Palm Beach County Housing Authority (the Authority), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of The SPECTRA Organization, Inc., a blended component unit, were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

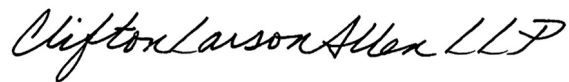
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Palm Beach County Housing Authority's basic financial statements. The financial data schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 the Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
June 4, 2026

**PALM BEACH COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

As management of the Palm Beach County Housing Authority (the Authority), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Palm Beach County Housing Authority, 3333 Forest Hill Blvd, West Palm Beach, Florida 33406.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded the liabilities as of September 30, 2025, by \$29,794,363 (net position).
- The Authority's cash balances as of September 30, 2025, were \$ \$9,923,252 representing an increase of \$ \$3,041,853.
- The Authority earned revenue directly from the U.S. Department of Housing and Urban Development ("HUD") of \$66,083,730 which includes funds for capital asset activities.

OVERVIEW OF 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 other non-financial factors such as changes in family household composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of capital assets. The following statements are included:

- **Statement of Net Position** – reports the Authority's assets, liabilities, and net position at the end of the fiscal year. The reader may consider or view the Authority's net position as the difference between the Authority's rights (assets) and the Authority's obligations (liabilities).
- **Statement of Revenue, 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 the 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 operations plus any other cash requirements during the current year (i.e., capital additions, debt service, prior period obligations, etc.). 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).

**PALM BEACH COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

- **Notes to the Basic Financial Statements** – notes to the basic 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, notes reflect the impact (if any) of any uncertainties the Authority may face.

In addition to the basic financial statements listed above, our report includes supplemental information. This information is to provide more detail on the Authority's various programs and the required information mandated by regulatory bodies that fund the Authority's various programs.

FINANCIAL ANALYSIS

Condensed Statement of Net Position

	<u>2025</u>	<u>2024</u>	<u>Net Change</u>
ASSETS			
Current Assets	\$ 14,813,780	\$ 12,266,127	\$ 2,547,653
Capital Assets, Net	30,041,989	26,556,714	3,485,275
Other Noncurrent Assets	8,597,387	9,116,722	(519,335)
Total Assets	<u>\$ 53,453,156</u>	<u>\$ 47,939,563</u>	<u>\$ 5,513,593</u>
LIABILITIES			
Current Liabilities	\$ 3,952,518	\$ 5,195,986	\$ (1,243,468)
Long-Term Debt, Less Current Portion	15,946,062	16,153,470	(207,408)
Other Noncurrent Liabilities	423,632	408,997	14,635
Total Liabilities	<u>20,322,212</u>	<u>21,758,453</u>	<u>(1,436,241)</u>
DEFERRED INFLOWS OF RESOURCES	<u>3,336,581</u>	<u>3,947,042</u>	<u>(610,461)</u>
NET POSITION			
Net Investment in Capital Assets	10,942,885	8,516,920	2,425,965
Restricted	1,431,541	875,544	555,997
Unrestricted	<u>17,419,938</u>	<u>12,841,604</u>	<u>4,578,334</u>
Total Net Position	<u>29,794,363</u>	<u>22,234,068</u>	<u>7,560,295</u>
Total Liabilities and Net Position	<u>\$ 53,453,156</u>	<u>\$ 47,939,563</u>	<u>\$ 5,513,593</u>

Current Assets increased by \$ 2,547,653, mostly as a result of an increase in cash. The Authority received about \$3.2 million from a related party.

Capital Assets, Net increased by \$3,485,275 due to \$4,962,903 in purchases which was partially offset by \$39,465 of disposals and \$1,439,129 in depreciation expense.

Noncurrent Assets decreased by \$519,335 due to changes in lessor receivable.

Total Liabilities decreased by \$1,436,241. This decrease in mostly related to a decrease of \$402,136 of accrued liabilities due to timing of invoices and work performed, a decrease of \$690,690 in long-term debt and a decrease of \$480,824 in FSS escrow liabilities.

**PALM BEACH COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

Deferred Inflows decreased by \$610,461. This decrease is a result of the recognition of the deferred inflows of resources related to GASB 87, *Leases*, which recognizes the lessor activity of a blended component unit, The SPECTRA Organization, Inc.

Net Position – The difference between the Authority's rights (assets) and the Authority's obligations (liabilities) is its net position. Net position is categorized as one of three types.

1. Net investment in capital assets – the Authority's investment in capital assets, net of accumulated depreciation and related debt, is the net capital asset balance offset by long-term debt used to finance the capital assets.
2. Restricted – the Authority's net position whose use is subject to constraints imposed by law or agreement consisting primarily of HAP equity. As of September 30, 2025, the Authority reported \$1,431,541 of restricted net position which consists of \$859,863 for component unit escrow reserves, \$100,494 of restricted deposits for the Community Development Block Grant Program, \$235,908 for FSS escrows, \$231,392 for Mainstream Vouchers and \$3,884 for Emergency Housing Vouchers.
3. Unrestricted – the Authority's net position that is neither invested in capital assets nor restricted which increases principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors.

One of the larger portions of the Authority's net position (approximately 37%) represents net investment in capital assets. The Authority uses these capital assets to provide services to its program participants. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. However, the assets were collateralized for the outstanding liability.

At the end of the current fiscal year, the Authority is able to report positive balances in all three categories of net position. The same situation held true for its prior fiscal year.

**PALM BEACH COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>Net Change</u>
OPERATING REVENUES			
Net Tenant Rental Revenue	\$ 4,379,927	\$ 2,729,229	\$ 1,650,698
Operating Grants and Subsidies - HUD	63,038,025	53,090,902	9,947,123
Other Revenue	9,004,615	6,633,686	2,370,929
Total Operating Revenues	<u>76,422,567</u>	<u>62,453,817</u>	<u>13,968,750</u>
OPERATING EXPENSES			
Administrative	4,882,096	4,781,272	100,824
Tenant Services	1,001,043	725,648	275,395
Utilities	256,825	257,757	(932)
Maintenance and Operations	2,412,319	3,423,638	(1,011,319)
Insurance Premiums	1,125,979	1,017,375	108,604
General	713,730	1,130,318	(416,588)
Housing Assistance Payments	60,268,629	50,419,569	9,849,060
Depreciation	1,439,129	1,430,131	8,998
Total Operating Expenses	<u>72,099,750</u>	<u>63,185,708</u>	<u>8,914,042</u>
OPERATING INCOME (LOSS)	4,322,817	(731,891)	5,054,708
NONOPERATING REVENUES (EXPENSES)	191,773	(299,972)	491,745
CAPITAL CONTRIBUTIONS	<u>3,045,705</u>	<u>821,341</u>	<u>2,224,364</u>
CHANGE IN NET POSITION	7,560,295	(210,522)	7,770,817
Net Position - Beginning of Year	<u>22,234,068</u>	<u>22,115,069</u>	<u>118,999</u>
Error Correction - Banyan Club Apartment Holding Corporation	<u>-</u>	<u>329,521</u>	<u>(329,521)</u>
NET POSITION - END OF YEAR	<u>\$ 29,794,363</u>	<u>\$ 22,234,068</u>	<u>\$ 7,560,295</u>

Total Operating Revenue increased by \$13,968,750 primarily due to an increase in HUD revenues of \$9,947,123, which was comprised of a \$8,721,173 increase in Section 8 Housing Choice Voucher funding, \$691,715 increase in Mainstream Voucher funding, and \$172,327 increase in Housing Opportunities for Persons with Aids funding.

Nonoperating Revenues (Expenses) increased by \$491,745. Current year activity was comprised of interest expense of \$610,804, a gain on disposal of assets of \$412,934, and \$389,643 of interest income.

Total Operating Expenses are categorized by the Authority as administrative, tenant services, utilities, maintenance, general, depreciation, protective services, and housing assistance payments.

Administrative expenses increased by \$100,824 in the current year primarily due to an increase in administrative salaries.

**PALM BEACH COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

Tenant Services increased \$275,395 due to increased services to tenants.

Maintenance and operations expense decreased by \$1,011,319 in the current year due to decreased development activity by The SPECTRA Organization.

Insurance premiums increased \$108,605 due to the rising costs of insurance and a new property to insure.

Housing assistance payments increased \$9,849,060 primarily due to increased HAP cost per unit leased and an increase in program participants assisted.

DEBT ACTIVITY

At the end of fiscal year 2025 the Authority's long-term debt, less current portion, decreased by \$690,690 compared to prior year. This decrease was due to principal payments made by the Authority's blended component units.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development and new rules and regulations, which could be unfunded;
- Local labor supply and demand, which can affect salary and wage rates;
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income as well as the Housing Assistance Payments (HAP) to landlords;
- Inflationary pressure on utility rates, housing costs, supplies and other costs; and
- Trends in the current housing market.

Agency at a Glance

The Authority faced significant challenges during the end of the fiscal year. As a result, and after extensive management review, a decision was made to evaluate all agency operations. We have made considerable progress as we move through this exercise to ensure adherence to best practices yielding a successful agency.

The agency is continually reviewing partnerships and contracts to ensure the best interest of clients, residents and the agency is being considered first and foremost. There are strides to ensure Management and the Board of Commissioners have transparency to the public. The agency is shifting the pendulum of their environment to ensure overall success of the agency in the future.

**PALM BEACH COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

CONCLUSION

The Authority continues to face some uncertainty about the federal funding provided by HUD. However, with the continued support of the Authority's valued staff, its visionary Board of Commissioners, and its community partners, the Authority will continue to provide excellent customer service to our residents and clients and continue to function as a sustainable business within the Palm Beach County area.

In the Authority's continued efforts to accomplish their mission statement – the goal of sustaining self-sufficiency among low to moderate income residents – collaborating with key stakeholders will assist in meeting the economic challenges that face the Authority due to factors beyond their control. The Authority is presently engaged with several development projects that will meet these goals.

**PALM BEACH COUNTY HOUSING AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

ASSETS

CURRENT ASSETS

Cash - Unrestricted	\$ 7,590,112
Cash - Restricted	2,333,140
Receivables, Net	3,776,245
Lessor Receivable, Current Portion	524,910
Prepaid Expenses	512,889
Inventory, Net	76,484
Total Current Assets	14,813,780

NONCURRENT ASSETS

Capital Assets:	
Capital Assets, Not Being Depreciated	14,458,845
Capital Assets, Being Depreciated, Net	15,583,144
Capital Assets, Net	30,041,989

Other Assets:

Notes Receivable	4,360,000
Lessor Receivable, Net of Current Portion	3,060,869
Deferred Developer Fees	1,176,518
Total Other Assets	8,597,387

Total Noncurrent Assets	38,639,376
-------------------------	------------

Total Assets	\$ 53,453,156
--------------	---------------

See accompanying Notes to Financial Statements.

**PALM BEACH COUNTY HOUSING AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2025**

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable	\$	851,727
Accrued Liabilities		676,182
Accounts Payable - Other Government		209,379
Accrued Compensated Absences, Current Portion		176,146
Unearned Revenue		242,338
Current Portion of Long-Term Debt		1,403,042
Tenant Security Deposits (Payable from Restricted Assets)		270,829
Family Self-Sufficiency Escrow, Current (Payable from Restricted Assets)		122,875
Total Current Liabilities		3,952,518

NONCURRENT LIABILITIES

Long-Term Debt, Net of Current Portion		15,946,062
Accrued Compensated Absences, Net of Current Portion		113,424
Family Self-Sufficiency Escrow (Payable from Restricted Assets)		310,208
Total Noncurrent Liabilities		16,369,694

Total Liabilities		20,322,212
-------------------	--	------------

DEFERRED INFLOWS OF RESOURCES - LEASES

3,336,581

NET POSITION

Net Investment in Capital Assets		10,942,885
Restricted		1,431,541
Unrestricted		17,419,938
Total Net Position		29,794,363

Total Liabilities and Net Position		\$ 53,453,156
------------------------------------	--	---------------

**PALM BEACH COUNTY HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2025**

OPERATING REVENUES	
Tenant Revenue	\$ 4,379,927
HUD Operating Revenues	63,038,025
Other Operating Revenue	<u>9,004,615</u>
Total Operating Revenues	<u>76,422,567</u>
OPERATING EXPENSES	
Administrative	4,882,096
Tenant Services	1,001,043
Utilities	256,825
Maintenance and Operations	2,412,319
Insurance Premiums	1,125,979
General Expenses	713,730
Housing Assistance Payments	60,268,629
Depreciation Expense	<u>1,439,129</u>
Total Operating Expenses	<u>72,099,750</u>
OPERATING INCOME	4,322,817
NONOPERATING REVENUES (EXPENSES)	
Interest Income	389,643
Interest Expense	(610,804)
Gain on Disposal of Capital Assets	<u>412,934</u>
Total Nonoperating Revenues (Expenses)	<u>191,773</u>
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	4,514,590
CAPITAL GRANTS	
HUD Capital Grants	<u>3,045,705</u>
CHANGE IN NET POSITION	7,560,295
Total Net Position - Beginning of Year	<u>22,234,068</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 29,794,363</u></u>

See accompanying Notes to Financial Statements.

**PALM BEACH COUNTY HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts:

Collections from Tenants	\$ 3,955,756
HUD Operating Grants Received	64,100,493
Other Income Receipts	8,829,210
Total Receipts	76,885,459

Disbursements:

Payments to Employees for Wages and Benefits	4,737,102
Payments to Suppliers	5,667,644
Payments to Landlords	60,656,712
Total Disbursements	71,061,458

Net Cash Provided by Operating Activities	5,824,001
---	-----------

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Interest Paid on Debt	(598,640)
Proceeds from Issuance of Capital Debt	1,195,633
Principal Paid on Capital Debt	(1,886,323)
Proceeds from Capital Grants	3,045,705
Purchase of Capital Assets	(4,962,903)
Proceeds from Sale of Capital Assets	451,433
Payments for Leases	(117,341)
Net Cash Used by Capital and Related Financing Activities	(2,872,436)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Received	90,288
Net Cash Provided by Investing Activities	90,288

NET INCREASE IN CASH AND CASH EQUIVALENTS	3,041,853
--	-----------

Cash and Cash Equivalents - Beginning of Year	6,881,399
---	-----------

CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 9,923,252
--	--------------

REPORTED AS

Cash - Unrestricted	\$ 7,590,112
Cash - Restricted	2,333,140
Total Cash - End of Year	\$ 9,923,252

See accompanying Notes to Financial Statements.

**PALM BEACH COUNTY HOUSING AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025**

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 4,322,817
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	1,439,129
(Increase) Decrease in Assets:	
Accounts Receivable - PHA	47,535
Accounts Receivable - HUD Other Projects	1,156,780
Accounts Receivable - Other Government	(278,097)
Accounts Receivable - Miscellaneous	112,089
Accounts Receivable - Tenants	(268,026)
Notes Receivable	-
Prepaid Expenses	(38,511)
Inventory, Net	88,000
Increase (Decrease) in Liabilities:	
Accounts Payable	180,708
Accrued Salaries and Benefits	(26,217)
Accrued Compensated Absences	(3,778)
Accounts Payable - Other Government	26,780
Unearned Revenue	(76,130)
Tenant Security Deposits	(10,456)
Other Current Liabilities	(480,824)
Accrued Liabilities - Other	(388,083)
Noncurrent Liabilities - Other	20,285
Net Cash Provided by Operating Activities	<u>\$ 5,824,001</u>

SUPPLEMENTAL SCHEDULE OF CAPITAL AND RELATED FINANCING ACTIVITIES

Lease Receivable	<u>\$ 635,727</u>
------------------	-------------------

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Palm Beach County Housing Authority (the Authority), is a public body corporate and politic pursuant to Florida Statutes Chapter 421 by Palm Beach County, Florida (the County). The primary purpose of the Authority is to develop, acquire, and operate safe, decent, sanitary, and affordable housing for low-income families in the County in accordance with federal legislation and regulations.

The Authority's mission is our People are committed to the endeavor of preserving and Building quality, affordable housing in Choice inclusive neighborhoods – using Housing as a platform for social and economic Advancement.

The Authority's governing board consists of a five-member Board of Commissioners (the Board), the members of which are appointed by the governor of the state of Florida. The Authority is not a component unit of the County, as defined in the Governmental Accounting Standards Board (GASB).

Reporting Entity

The Governmental Accounting Standards Board has established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under these criteria, the Authority is considered to be a primary government, it is a special-purpose government that has a separate governing body, is legally separate and is fiscally independent of other state or local governments.

In determining how to define the reporting entity, management of the Authority has considered all potential component units. The determination to include a component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Blended Component Units and Related Organization

All of these entities were created to assist the Authority in various residential rental and affordable housing development projects in the County.

Blended Component Units

- The SPECTRA Organization, Inc. (Spectra) – The activity of The SPECTRA Organization, Inc. is accounted for on a calendar year basis. The most recently published financial statements were for the year ended December 31, 2024. The financial statements of The SPECTRA Organization, Inc. are presented consolidated with Legacy at 45th Street, LLC. Legacy at 45th Street, LLC is newly constructed rental housing, anticipated to be completed in November 2026. SPECTRA is the sole owner and controlling organization of Legacy at 45th Street, LLC. The SPECTRA Organization also consists of Spectra Management, LLC and Spectra Covenant Villas, LLC. Both of which are fully owned by The SPECTRA Organization.
- Banyan Club Apartment Holding Corporation (Banyan) – The activity of Banyan Club Apartment Holding Corporation is accounted for on a calendar year basis. The most recently published financial statements were for the year ended December 31, 2024.
- Westgate Housing, LLC
- Palm Beach County Housing Development Corporation, Inc.
- New South Bay Villas, LLC
- Walker Community Association

Related Organizations

- Westgate Plaza Apartments, LTD
- Spectra Covenant Villas, LLC
- New South Bay Villas, LTD

Basis of Presentation and Accounting

In accordance with uniform financial reporting standards for HUD housing programs, the financial statements of the Authority are prepared in accordance with accounting principles generally accepted in the United States of America.

Based on compelling reasons offered by HUD, the Authority reports its operations under the governmental proprietary fund type (enterprise fund), which uses the full accrual basis of accounting. The enterprise fund emphasizes the flow of economic resources measurement focus. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements.

Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Revenues are recorded when they are earned and expenses are recorded at the time liabilities are incurred.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting (Continued)

Enterprise Fund

The enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred, and/or change in net position necessary for management accountability is appropriate. The intent of the governing body is that the costs (expenses including depreciation) of providing services to the public on a continuing basis be financed or recovered primarily through user charges.

Program/Activity Accounting

The accounting records are established in a manner which enables the Authority to ensure observance of limitations and restrictions placed on the use of resources available to it. The accounting records are also maintained in a manner that provides the Authority with the ability to monitor the financial results associated with certain other activities or otherwise provide for management accountability.

Separate identifiable accounts are maintained within the accounting records for each program/activity. However, all of the programs/activities are part of a single enterprise fund for financial reporting purposes.

The programs/activities included in the accompanying financial statements include all programs/activities of the Authority that relate to providing housing assistance to lower-income families and all other programs, functions and activities over which the Board has oversight responsibility and financial accountability. These programs/activities are as follows:

Housing Voucher Cluster

**Section 8 Housing Choice Vouchers (HCVP) (ALN 14.871) and
Mainstream Vouchers (MS5) (ALN 14.879)**

These programs account for the activity associated with the projects and other facilities subsidized by HUD under an Annual Contributions Contract. The purpose of Section 8 housing is to aid very-low-income families in obtaining decent, safe, and sanitary rental housing. Section 8 housing allows very-low-income families to rent privately-owned housing in the neighborhood of their choice.

Emergency Housing Vouchers (ALN 14.871)

This program provides funding for to help individuals and families who are homeless, at risk of homelessness, fleeing domestic violence, dating violence, sexual assault, stalking, or human trafficking, or to help prevent family's homelessness.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting (Continued)

Program/Activity Accounting (Continued)

Housing Opportunity for Persons with AIDS (HOPWA) (ALN 14.241)

The Housing Opportunity for Persons with AIDS (HOPWA) program is run in partnership with the City of West Palm Beach. Funding for which is provided through reimbursement from the city for tenant based rental assistance and supportive services.

Public and Indian Housing (ALN 14.850)

This program accounts for the project owned by the Authority that is subsidized by HUD under an Annual Contributions Contract. The program collects operating subsidy from HUD and also collects rent from tenants. The purpose of public housing is to provide decent and affordable dwelling for lower-income families. The Authority's public housing program consists of 428 units which are located in five geographic locations, including 44 units in scattered locations throughout Boynton Beach and Palm Beach County, Florida. The development is owned and maintained by the Authority.

Public Housing Capital Fund (CFP) (ALN 14.872)

This program is used to account for the activities of the Authority's capital improvement program. The Authority has received several grants from HUD to make improvements to its public housing complexes and to pay for certain management improvements. The capital fund provides funds annually to the Authority for capital and management activities, including modernization and development of public housing.

PIH Family Self-Sufficiency (ALN 14.896)

The PIH Family Self Sufficiency Program enables families assisted through the Housing Choice Voucher (HCV) and Public Housing (PH) programs to increase their earned income and reduce their dependency on social services and rental subsidies.

Jobs-Plus Pilot Initiative (ALN 14.895)

The Jobs-Plus Pilot Initiative is a locally designed program implemented in a collaboration among local housing authority, residents of public housing developments, local welfare agencies, local workforce development agencies, and other relevant partners. It is aimed at significantly increasing employment and income of public housing residents.

Resident Opportunity and Supportive Services (ALN 14.870)

The Resident Opportunity and Supportive Services program helps address the economic and housing self-sufficiency needs of public and Indian housing residents by providing grant-funded service coordinators who link residents to the supportive services they need in order to, achieve economic and housing self-sufficiency; and for elderly/disabled residents to continue to age/reside in place and avoid costlier forms of care.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting (Continued)

Program/Activity Accounting (Continued)

Community Development Block Grant (ALN 14.218)

Community Development Block Grant (CDBG) includes HUD grants passed through from Palm Beach County government. Properties were purchased with these funds through various Neighborhood Stabilization Program (NSP) grants. These properties consist of six scattered single-family homes and a 65 multi-family unit complex located in South Bay, Florida. Funding of program operations is provided by tenant rental income and the Authority's unrestricted funds. All units leased shall be decent and affordable to low-income families. Any program income at year-end is transferred to Palm Beach County government. New South Bay Villas, LTD., a related party, purchased the rental property, which comprised of 65 multi-family unit complex and will continue the rehabilitation of the units. The Authority maintains ownership of the land and the daycare.

YouthBuild (ALN 17.274)

The YouthBuild program at the Palm Beach County Housing Authority (PBCHA) is designed to support at-risk youth by providing them with opportunities to gain education, job skills, and leadership training. The program focuses on helping young people, particularly those who are homeless or facing significant challenges, to achieve self-sufficiency and economic independence.

Central Office Cost Center

The Central Office Cost Center (COCC) is a business unit within the Authority that generates revenues from fee income and other business activities. The COCC consists of activities funded through these revenue sources.

Business Activities

These activities account for the operations of the various affordable housing complexes operated by the Authority and the other resources received by the Authority that are not restricted by outside sources as to expenditure for the benefit of specific projects or purposes.

Budgets

Budgets are prepared on an annual basis for each program/activity and are used as a management tool throughout the accounting cycle. Budgets, although adopted by the Board, are not, however, legally adopted nor required in the basic financial statement presentation.

Cash and Cash Equivalents

The Authority considers all highly liquid instruments, including all certificates of deposit and short-term investments with an original maturity of three months or less to be cash equivalents. The Authority does not have any cash equivalents as of September 30, 2025.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Certain assets are classified as restricted assets in the accompanying statement of net position when constraints are placed on their use by external parties or law. The assets that are classified as restricted include the following:

Restricted Cash

Restricted cash consists of bank accounts that have been established in order to ensure the availability of funds to pay family self-sufficiency program participants, to repay tenant security deposits, to pay housing assistance payments to landlords and reserve for replacements.

Receivables

Receivables consist of revenues earned during the fiscal year and not yet received. Amounts due from HUD consist of grant revenue accrued for allowable program expenses not yet funded. Other receivables consist of tenant receivables, fraud recovery receivables for the housing assistance payments programs, overpayments to landlords and reimbursement receivables from various parties in the normal course of business.

Tenant accounts receivable are presented net of an allowance for doubtful accounts of \$16,743. The allowance is based on prior experience and management's estimate of receivables with balances outstanding greater than 60 days.

Tenant fraud recovery repayment agreements are considered fully collectible by management based on the composition of the accounts and historical collection experience. No allowance has been recorded for HUD and other governmental receivables, as management believes these amounts are fully collectible.

Landlord HAP overpayment accounts receivable are presented net of an allowance for doubtful accounts of \$957,718. The allowance is based on management's estimate of receivables with balances outstanding greater than 60 days and if the landlord is current.

Note Receivable

The Authority advances money to affordable housing projects to help fund the development of low-income housing units. Such notes are repayable out of the affordable housing projects cash flows, and residual values. The Authority believes the note receivable is fully collectible when due in 15 years.

Inventory

Inventories consist principally of expendable building materials and supplies held for use or consumption in the course of the Authority's operations. All inventories are valued on a first-in, first-out (FIFO) basis. If inventory items fall below cost due to damage, deterioration, or obsolescence, the Authority establishes an allowance for obsolete inventory. Based on management's experience with the types of items in inventory, an allowance for obsolescence of \$3,089 is recorded as of September 30, 2025.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The Authority's policy is to capitalize assets with a cost of \$5,000 or more and a useful life in excess of one year. The Authority capitalizes the costs of site acquisition and improvement, structures, equipment, and direct development costs meeting the capitalization policy. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets contributed by third parties are valued at the acquisition value on the date of contribution.

Depreciation has been provided using the straight-line method over the estimated useful lives, which range as follows:

Buildings	40 Years
Land Improvements	15 Years
Building Modernization	15 Years
Office and Other Equipment	3 to 10 Years

Impairment of Long-Living Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a long-lived asset is impaired, and that the impairment is significant and other than temporary, then an impairment loss will be recorded in the Authority's financial statements. In the current year, the Authority did not recognize any loss on impairment related to its long-lived assets.

Leases

The Authority's blended component unit, The SPECTRA Organization, acting as lessor, leases its office building under long-term, noncancelable lease agreements to other organizations. The Authority recognizes lease receivables and deferred inflows with an initial, individual value of \$5,000 or more. The Authority uses the interest rate charged as the discount rate.

Accrued Compensated Absences

Compensated absences are accounted for in accordance with GASB Statement No. 101, *Compensated Absences*. The liability for compensated absences includes leave that is attributable to past services and for which a payment is probable. The liability is measured using the pay rates in effect at the financial statement date, including applicable salary-related payments.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences (Continued)

Full-time permanent employees are granted vacation and sick leave benefits. Vacation leave is granted at varying rates depending on tenure with the Authority and can accrue to a maximum of 250 hours. After three months of service, employees in good standing are entitled to all accrued but unused leave upon separation from the Authority. Employees with leave time in excess of 250 hours lose the excess leave benefits on the last day of the fiscal year unless utilized. Once per year, during the first pay period of the fiscal year, an employee may elect payment in exchange for accrued vacation leave in excess of 10 days. Such payments are made at the employee's current rate of pay. Sick leave is accrued at the rate of one day per month, or a maximum of 12 days per year. Any unused sick leave at year-end is carried over into the next fiscal year limited to 500 hours. The estimated amount for accrued and vested leave benefits is recorded as a liability in the basic financial statements and the amount earned in any given year is recorded as an expense. After seven years of services, employees are paid half of their sick leave upon separation, if the employee is in good standing.

Inter-Program Transactions – Due to/from Other Programs/Activities

In the normal course of operations, programs may temporarily advance cash and assist with expenses to and for other programs. These inter-program receivables, payables, revenues and expenses are eliminated for the presentation of the Authority as a whole. As of September 30, 2025, \$2,264,410 of interprogram receivables and payables were eliminated. As of September 30, 2025, \$919,264 of interprogram revenues and expenses were eliminated.

Fee for Service

The Authority's Central Office Cost Center (COCC) internally charges fees to Public Housing and other programs of the Authority. These charges include management fees, bookkeeping fees, and asset management fees. For financial reporting purposes, \$1,775,021.

Net Position

Net position represents the difference between assets and liabilities and deferred inflows of resources in the financial statements and is classified into three components:

Net Investment in Capital Assets – This component consists of capital assets net of accumulated depreciation, less debt related to the acquisition of capital assets.

Restricted – This category consists of components of net position restricted in their use by (1) external groups such as grantors, creditors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation. The statement of net position of the Authority reports \$1,431,541 of restricted net position which consists of \$100,494 of CDBG reserves, \$235,908 of FSS escrow reserves, \$231,392 for Mainstream Vouchers, \$3,884 for Emergency Housing Vouchers and \$859,863 for Blended Component Unit reserves.

Unrestricted – All other net position that does not meet the definition of "restricted" or "invested in capital assets".

PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

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

Tenant Revenue

The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause. Revenues associated with these leases are recorded in the accompanying basic financial statements and related schedules within tenant revenue. Primarily all of the capital assets of the Authority are for these leasing activities except for the administrative and maintenance equipment.

Operating and Nonoperating Revenue and Expenses

The Authority recognizes operating revenue and expenses as a result of providing low rent housing and other services. The principal operating revenues of the Authority consist of tenant rental charges, operating subsidies and fees received from the federal government and other grantor organizations and other revenue received from ancillary operations such as maintenance charges to tenants, laundry operations and similar operations. Operating expenses include the costs of operating the Authority owned housing complexes, housing assistance payments to landlords, administrative expenses, and costs associated with providing program services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Government Operating Grants and Subsidies

The subsidies and grants received by the Authority from HUD under Annual Contributions Contracts and other grantor entities are recorded as revenue in the period earned in accordance with accounting principles generally accepted in the United States of America.

Income Taxes

The Authority is a governmental agency and is exempt from federal and state income taxes. Accordingly, no provision for federal or state income taxes has been made in the financial statements.

The Authority's blended component units have requirements to file federal tax returns. These returns have been filed. The component units paid no federal and state income taxes for the year ended September 30, 2025. The Authority's component units are open to Internal Revenue Service (IRS) tax audits for the periods of 2018 through 2025.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Financial Data Schedules (FDS)

As required by HUD, the Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The schedule's format presents certain operating items as nonoperating such as depreciation expense, housing assistance payments and extraordinary maintenance expense. In addition, the schedule's format includes nonoperating items as operating such as interest income, HUD capital revenue, interest expense, gains, and losses on the disposal of capital assets. Furthermore, the schedule reflects tenant revenue and bad debt expense separately.

NOTE 2 CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy for custodial credit risk requires collateral to be held in the Authority's name by its agent or by the bank's trust department. As of September 30, 2025, none of the Authority's bank balance was exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the relative value of a security will decline due to a change in interest rates. The Authority's policy to limit its exposure to declines in fair values of its investment portfolio is to only invest in HUD allowed investments and to monitor these investments. As of September 30, 2025, the Authority had no investments and, therefore, was not exposed to interest rate risk.

Credit Risk

Credit risk is the risk that a counterparty will fail to meet its obligations in accordance with agreed terms. It is the Authority's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies in the United States of America. As of September 30, 2025, the Authority had no investments and, therefore, was not exposed to credit risk.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Deposits

All cash deposits are carried at cost and are in financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) and collateralized. Florida Statutes Chapter 280 sets forth the qualifications and requirements that a financial institution must meet in order to become a qualified depository. The Statute also defines the amount and type of collateral that must be pledged in order to remain qualified.

Florida Statute 218.45 requires deposits of governmental entities be made only with Qualified Public Depositories (QPDs). Public funds on deposit in QPDs are protected against loss due to insolvency by: (1) federal deposit insurance; (2) the pledge of securities as collateral; and (3) a contingent liability agreement that allows the Chief Financial Officer of the State of Florida to assess QPDs if the securities pledged by an insolvent QPD are insufficient. The agreement for collateralization of public funds is with the State of Florida and not with the Authority. Similar to FDIC, the State of Florida is guaranteeing the deposit.

As of September 30, 2025, the Authority's book balance of cash was \$9,923,252 and the bank balance was \$10,036,609.

The Authority's cash accounts are covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the Authority for the loss.

Restricted Cash

Cash was restricted for the following purposes as of September 30, 2025:

Cash - Restricted:

Mainstream Voucher HAP	\$ 366,516
Emergency Housing Voucher HAP	69,119
Family Self-Sufficiency Escrows	433,083
Reserve for Replacement	1,193,590
Security Deposits	270,832
Total Restricted Cash	<u>\$ 2,333,140</u>

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 3 ACCOUNTS RECEIVABLES

As of September 30, 2025, accounts receivables consist of:

Tenant Accounts Receivable:	
Dwelling Rents	\$ 145,458
Allowance for Doubtful Accounts - Dwelling Rents	<u>(16,743)</u>
Net Tenant Accounts Receivable	128,715
Fraud Recovery:	
Fraud Recovery	224,766
Allowance for Doubtful Accounts - Fraud Recovery	<u>-</u>
Net Fraud Recovery	224,766
Amounts Due from Other Governments:	
Other Public Housing Authorities	22,065
U.S. Department of Housing and Urban Development	440,173
Other Governments	<u>335,057</u>
Total Amount Due from Other Governments	797,295
Accounts Receivable - Landlord Overpayments	1,223,305
Accounts Receivable - Miscellaneous	172,586
Accounts Receivable - Related Party	338,092
Accrued Interest Receivable	1,849,206
Allowance for Doubtful Accounts - Other	<u>(957,720)</u>
Total Accounts Receivable, Net	<u><u>\$ 3,776,245</u></u>

NOTE 4 NOTE RECEIVABLES

The Authority entered into a note with New South Bay Villas, LTD on March 1, 2017, in the amount of \$3,360,000. The note was used to fund the rehabilitation and construction of a 131 – unit affordable housing project to be known as New South Bay Villas. Interest shall accrue on the outstanding principal of the note at a rate of 6.00% per annum, compounded annually. No payments of principal or interest will be required during the 15 year tax credit compliance period. In the event of a default, the note should accrue interest on the outstanding principal balance of the note at 3.00% per annum over the interest rate. The outstanding principal and all accrued but unpaid interest shall be due and payable 30 years after the date of this note. The balance of the note is \$3,360,000 and the balance of accrued interest receivable is \$1,612,800 as of September 30, 2025.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 4 NOTE RECEIVABLES (CONTINUED)

In May of 2024, The SPECTRA Organization, Inc. (Spectra), a blended component unit, obtained financing from the Authority in an amount not to exceed \$2,750,000, plus capitalized interest. The loan is due no later than 7 years after project completion with an interest rate of 4.5% and is to be used for the development of Legacy at 45th Street. For the year ended September 30, 2025, a total of \$2,750,000 has been drawn on the loan and remains outstanding. In May of 2024, the interest rate was amended to be 2.5%. In the Authority's entity-wide financial statements, \$1,750,000 of this loan is eliminated in consolidation, resulting in a net recorded balance of \$1,000,000. The partial elimination reflects loan disbursements made by the Authority between Spectra's fiscal year-end on December 31, 2024 and the Authority's fiscal year-end on September 30, 2025, which had not yet been recorded in Spectra's financial statements at its year-end.

NOTE 5 OTHER ASSETS

The Authority is due a developer fee from New South Bay Villas, Ltd. The amount due as of September 30, 2025 is \$1,176,518. The developer fee accrues interest annually at 4.0%. The interest accrued as of September 30, 2025, is \$133,276. The developer fee is payable from available development proceeds as detailed in the development agreement. The developer fee is considered to be fully collectible; accordingly, no allowance has been recorded.

NOTE 6 CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2025 is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets, Nondepreciable:					
Land	\$ 8,533,431	\$ -	\$ -	\$ -	\$ 8,533,431
Construction in Progress	1,796,861	4,354,622	-	(226,069)	5,925,414
Total Nondepreciable	10,330,292	4,354,622	-	(226,069)	14,458,845
Capital Assets, Depreciable:					
Building and Improvements	40,851,261	484,656	(33,545)	226,069	41,528,441
Equipment - Dwelling	640,838	55,500	-	-	696,338
Equipment - Administrative	2,729,363	68,125	(44,419)	-	2,753,069
Total Depreciable	44,221,462	608,281	(77,964)	226,069	44,977,848
Total Capital Assets	54,551,754	4,962,903	(77,964)	-	59,436,693
Accumulated Depreciation:					
Building and Improvements	(25,479,818)	(1,277,994)	33,544	-	(26,724,268)
Equipment - Dwelling	(633,370)	(5,814)	-	-	(639,184)
Equipment - Administrative	(1,881,852)	(155,321)	5,921	-	(2,031,252)
Total Accumulated Depreciation	(27,995,040)	(1,439,129)	39,465	-	(29,394,704)
Capital Assets, Net	<u>\$ 26,556,714</u>	<u>\$ 3,523,774</u>	<u>\$ (38,499)</u>	<u>\$ -</u>	<u>\$ 30,041,989</u>

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 6 CAPITAL ASSETS (CONTINUED)

In September 2014, the Authority entered into a 99-year ground lease for \$1 a year with Banyan Club Apartments Holding Corporation. The land is recorded on the Authority's books at \$1,100,000.

In March 2017, the Authority entered into a 75-year ground lease for \$1 a year with New South Bay Villas, LTD. The land is recorded on the Authority's books at \$29,500.

NOTE 7 LEASES

The Authority, acting as lessor under The SPECTRA Organization, Inc., leases office space under long-term, non-cancelable lease agreements. The leases expire at various dates through 2032. During the year ended September 30, 2025, the Authority recognized \$576,267 and \$142,606 in lease revenue and interest revenue, respectively, pursuant to these contracts. All leases presented below are those of the blended component unit, The SPECTRA Organization. Therefore, these leases are presented in the Authority's statements as of December 31, 2024.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 524,910	\$ 123,533	\$ 648,443
2026	558,169	103,241	661,410
2027	592,963	81,676	674,639
2028	556,732	59,229	615,961
2029	368,576	43,196	411,772
2030-2034	984,429	43,959	1,028,388
Total	<u>\$ 3,585,779</u>	<u>\$ 454,834</u>	<u>\$ 4,040,613</u>

NOTE 8 LONG-TERM LIABILITIES

Noncurrent Liabilities

A summary of changes in noncurrent liabilities for the year ended September 30, 2025 is as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Direct Borrowing:					
Mortgages Payable	\$ 18,039,794	\$ 1,195,633	\$ (1,886,323)	\$ 17,349,104	\$ 1,403,042
Total Long-Term Debt	18,039,794	1,195,633	(1,886,323)	17,349,104	1,403,042
Other Noncurrent Liabilities:					
Family Self-Sufficiency Escrow	893,622	741,374	(1,201,913)	433,083	122,875
Compensated Absences	293,348	234,911	(238,689)	289,570	176,146
Total Other Noncurrent Liabilities	<u>1,186,970</u>	<u>976,285</u>	<u>(1,440,602)</u>	<u>722,653</u>	<u>299,021</u>
Total Noncurrent Liabilities	<u>\$ 19,226,764</u>	<u>\$ 2,171,918</u>	<u>\$ (3,326,925)</u>	<u>\$ 18,071,757</u>	<u>\$ 1,702,063</u>

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

The SPECTRA Organization, Inc. (Spectra) Valley Bank Mortgage

In May 2022, Spectra acquired a new property located on Forest Hill Blvd. for \$10,642,000. To finance this purchase, the organization entered into a new loan agreement with Valley National Bank for \$9,675,000 at a 3.75% fixed interest rate for 10 years, which will then be adjusted by the Index plus two hundred seventy-five basis points for five years. As of December 31, 2024, the outstanding balance of the mortgage note payable is \$9,221,498. As of fiscal year end, Spectra was not in compliance with the debt covenants on this loan. However, they obtained a waiver from the lender granting permission to temporarily operate below the covenant threshold and to be redetermined annually for compliance.

The SPECTRA Organization, Inc. (Spectra) Valley Bank Promissory Note

In January of 2024, Spectra entered into a promissory note from Valley National Bank in the amount of \$1,000,000. The principal bears interest at 8.50% per annum. The entire unpaid principal balance of the Note, together with any accrued unpaid interest was due and payable on January 17, 2025. As of December 31, 2024, the outstanding balance of the loan was \$1,000,000. This note has been paid off as of March 5, 2026.

The SPECTRA Organization, Inc. (Spectra) Southwest Florida Affordable Housing Choice Foundation, Inc. Loan

In May of 2023, Spectra obtained a loan for \$1,500,000 from Southwest Florida Affordable Housing Choice Foundation, Inc. for \$1,500,000 with an annual interest rate of 4.5%. The loan and interest on the loan was due in full on December 31, 2023. The loan was extended through February of 2024, for which is was paid off in full.

The SPECTRA Organization, Inc. (Spectra) Palm Beach County Promissory Note

In May of 2023, Legacy at 45th Street, LLC entered into a promissory note with Palm Beach County. This agreement is for construction costs at the property. The property was allocated \$5,500,000 at an interest rate of 0% and maturity date of May 24, 2056. Required payments start on January 15, 2031 through 2056 depending on amounts drawn. Monies are drawn down on the note as needed. As of December 31, 2024, the Organization has drawn \$1,037,668 from this note, which is reported as long-term debt.

The SPECTRA Organization, Inc. (Spectra) Palm Beach County Housing Authority

In May of 2024, Spectra obtained financing from the Authority in an amount not to exceed \$2,750,000, plus capitalized interest. The loan is due no later than 7 years after project completion with an interest rate of 4.5% and is to be used for the development of Legacy at 45th Street. For the year ended December 31, 2024, a total of \$1,750,000 has been drawn on the loan and remains outstanding in Spectra's financial statements as of December 31, 2024. As of September 30, 2025, Spectra has drawn \$2,750,000 of the available \$2,750,000. In the Authority's entity-wide financial statements, \$1,750,000 of this loan is eliminated in consolidation, resulting in a net recorded balance of \$1,000,000. The partial elimination reflects loan disbursements made by the Authority between Spectra's fiscal year-end on December 31, 2024 and the Authority's fiscal year-end on September 30, 2025, which had not yet been recorded in Spectra's financial statements at its year-end. In May of 2024, the interest rate was amended to be 2.5%.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Banyan Club Apartments Holding Corporation (Banyan) Mortgage Payable

On September 22, 2015, Banyan entered into an agreement with HUD for a mortgage note in the amount of \$7,382,400.

Banyan has a 4.35% mortgage note payable due to Rockhall Funding Corp. in monthly installments of \$47,278, with a maturity date of October 2049. The monthly installment includes principal, interest, escrows for taxes and insurance, and reserve for replacements. The indebtedness is secured by a mortgage, deed to secure debtor deed of trust dated as of the date of the note. The mortgage is insured by the Federal Housing Commissioner. During 2024, Banyan made principal, interest, and insurance payments of \$136,593, \$273,973, and \$31,765, respectively. Banyan has a remaining principal balance of \$6,235,140, of which \$142,654 is due within the next year. Banyan has recorded an accrued interest amount of \$22,602 as of December 31, 2024.

A summary of aggregate annual future maturities is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,403,042	\$ 608,969
2026	419,448	592,564
2027	436,524	575,487
2028	453,418	558,594
2029	472,765	539,246
2030-2034	2,787,834	1,757,437
2035-2039	8,092,110	984,097
2040-2044	1,495,043	560,263
2045-2049	1,788,920	197,874
Total	<u>\$ 17,349,104</u>	<u>\$ 6,374,531</u>

NOTE 9 PENSION PLAN

The Authority offers a defined contribution plan (the Plan) created in accordance with Internal Revenue Code Section 401(a) and administered by Mutual of America. All employees 21 years of age or above are eligible to participate in the Plan after one year of continuous service. The Authority's Board may amend provisions of the Plan. The Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries; consequently, the Authority has no fiduciary responsibility and, therefore, the net assets of the Plan are not included in the Authority's financial statements.

As of September 30, 2025, there were 32 defined contribution Plan members. Members do not contribute to the Plan. The Authority's contribution is discretionary and determined on a yearly basis at a rate of 13.75% of the Plan participant's annual base salary for participants enrolled prior to October 1, 2007, and 6% for those participants enrolled thereafter. During the year ended September 30, 2025, the Authority contributed \$159,307 to the Plan.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 10 DEFERRED COMPENSATION PLAN

Starting in 2004, the Authority offered its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Authority employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In accordance with Section 457 of the Internal Revenue Code, plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and liabilities of the deferred compensation plan are not included in the accompanying financial statements. The deferred 457 plan allows eligible employees to contribute pre-taxed dollars to a separate retirement account. The employee elects to be part of the plan and contributes their own dollar or percentage into the plan through bi-weekly payroll deductions. The plan is administered by Mutual of America.

NOTE 11 RISK MANAGEMENT AND UNCERTAINTIES

The Authority is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. As part of the Authority's risk management program, certain commercial insurance policies are purchased. In addition, the Authority joined Florida Housing Authorities Risk Management Insureds, (FHARMI), a public risk pool currently operating as a common risk management and insurance program. The Authority pays an annual premium to FHARMI for its liability insurance coverage. The agreement for formation of FHARMI provides that it will be self-sustaining through member premiums and will reinsure all other risks of loss, including workers' compensation and employee health, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years, nor has there been any reduction in coverage in the current year.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Legal

The Authority is party to various pending or threatened legal actions arising in the normal course of operations. The Authority is vigorously fighting certain claims made by former employees and certain vendors. Any losses would be covered by the Authority's insurance company. Although the outcome of these actions is not presently determinable, it is the Authority's opinion that any ultimate liability is not expected to have a material adverse effect on the Authority's financial position.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 12 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grants and Contracts

The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. As of the date of this report, management is not aware of any such examinations.

NOTE 13 ECONOMIC DEPENDENCY

The Authority's operations are concentrated in the real estate market. The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules, and regulations of federal, state and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress, or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. As of **June 4, 2026** June 4, 2026, the Authority has received numerous notices regarding potential funding cuts and programs ending.

The Palm Beach County Housing Authority's economic dependence on federal funding is 85% of their total budget. The programs the agency provides to individuals and families within Palm Beach County are funded primarily by the U.S. Government. As the federal government continues to review their budgets and spending, which includes making programs changes, the effect could impact the services and programs the Palm Beach County Housing Authority. Currently the agency continues to provide all services while monitoring events at the federal level.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 13 ECONOMIC DEPENDENCY (CONTINUED)

The table below lists out the revenue the Authority received and the percentage of that revenue to total revenue.

	Year Ended September 30, 2025 Total Revenue	Percentage of Total Revenue
Revenue from HUD		
Section 8 Housing Choice Voucher Program - HAP	\$ 46,627,591	58.2%
Section 8 Housing Choice Voucher Program - Administrative	2,900,162	3.6%
Housing Opportunities for Persons with AIDS	3,729,066	4.7%
Mainstream Vouchers - HAP	4,932,026	6.2%
Mainstream Vouchers - Administrative	222,562	0.3%
Public and Indian Housing	1,585,127	2.0%
Capital Fund Program	3,592,835	4.5%
Emergency Housing Voucher - HAP	1,444,737	1.8%
Emergency Housing Voucher - Admin	169,770	0.2%
PIH Family Self-Sufficiency Program	127,518	0.2%
Jobs-Plus Pilot Initiative	657,256	0.8%
Resident Opportunity and Supportive Services	95,080	0.1%
Total Revenue from HUD	66,083,730	82.5%
Non-HUD Funding		
Tenant Rental Revenue	4,379,927	3.8%
Other Income	5,170,349	8.1%
Portability-In - HAP	3,679,805	4.6%
Portability-In - Administrative	154,461	0.2%
Investment Income	389,643	0.8%
Gain on Disposal of Capital Assets	412,934	0.8%
Total Other Income	14,187,119	17.5%
Total Revenue	\$ 80,270,849	100.0%

NOTE 14 RELATED PARTY TRANSACTIONS

The Authority is a related organization to Westgate Plaza Apartments LTD and New South Bay Villas, LTD. The Authority had the following balances with the related organizations:

	September 30, 2025	September 30, 2025
	Due From	Revenues
New South Bay Villas, LTD	\$ 6,149,318	\$ 246,600
Total	\$ 6,149,318	\$ 246,600

Westgate Plaza Apartments, LTD

Westgate Plaza Apartments, LTD (the Partnership) is a Florida limited partnership whose purpose is to provide 80 affordable rental housing units. Each year, Westgate Housing, LLC receives a cash flow distribution and incentive management fee equal to 30% of available cash flow reconciled for the tax period ending December. Westgate Housing, LLC is the Managing Member of Palm Beach County at Westgate, Inc., referred to as General Partner of Westgate Plaza Apartments GP, LLC.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 14 RELATED PARTY TRANSACTIONS (CONTINUED)

New South Bay Villas, LTD

New South Bay Villas, LLC, and New South Bay Villas LTD were established for the purpose of developing 131 units located in South Bay, Florida. The development project will be known as New South Bay Villas. The development will consist of 66 newly constructed units and 65 rehabilitate units. The new units will be replacing current housing stock of 62 Public Housing, 4 Public Housing that were previously demolished and 65 units purchased with NSP3 Grant funds.

The table below breaks out the transactions with New South Bay Villas, LTD:

New South Bay Villas - Note Receivable	3,360,000
New South Bay Villas - Accrued Interest	1,612,800
New South Bay Villas - Deferred Developer Fee	<u>1,176,518</u>
	6,149,318

The SPECTRA Organization, Inc.

In March of 2025, The SPECTRA Organization, Inc. (Spectra), a blended component unit, sold a vacant parcel of land located in Boynton Beach. The sale price of the property was \$3,294,500. This parcel was originally purchased by the Authority in May 1991 and transferred to Spectra in May of 2023. The proceeds reverted back to the Authority. In April 2025, the Authority and Spectra entered into a loan agreement for the proceeds of the sale to assist in building the Legacy at 45th Street project in the amount of \$3,350,000. The Authority recognized \$3,018,672 of other income for the proceeds that the Authority received from Spectra in April of 2025. Due to the differing fiscal year ends of Spectra and the Authority, this income has not been eliminated in the Authority's financial statements.

NOTE 15 CONDENSED BLENDED COMPONENT UNIT INFORMATION

Condensed component unit information for the Authority's blended component units as listed in Note 1 is presented below. Westgate Housing, LLC, Palm Beach Housing Development, Inc., The SPECTRA Organization, Inc., and Banyan Club Apartments Holding Corporation are included in the reporting entity as blended component units. Westgate Housing, LLC and Palm Beach Housing Development, Inc. entities incurred no or limited activity as of September 30, 2025. The SPECTRA Organization, Inc.'s and Banyan Club Apartment Holdings Corporation financial information is reported as of December 31, 2024.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 15 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)

Condensed Statement of Net Position

	Primary Government	Westgate Housing, LLC	The Spectra Organization Inc.	Banyan Club Apartment Holding Corporation	Total
ASSETS					
Current Assets	\$ 12,534,163	\$ 41	\$ 1,064,910	\$ 1,214,666	\$ 14,813,780
Capital Assets, Net	12,898,454	-	14,022,490	3,121,045	30,041,989
Noncurrent Assets	5,536,518	-	3,060,869	-	8,597,387
Total Assets	<u>\$ 30,969,135</u>	<u>\$ 41</u>	<u>\$ 18,148,269</u>	<u>\$ 4,335,711</u>	<u>\$ 53,453,156</u>
LIABILITIES AND NET POSITION					
LIABILITIES					
Current Liabilities	\$ 1,705,663	\$ -	\$ 1,905,668	\$ 341,187	\$ 3,952,518
Noncurrent Liabilities	(1,326,368)	-	11,603,576	6,092,486	16,369,694
Total Liabilities	379,295	-	13,509,244	6,433,673	20,322,212
Deferred Inflow of Resources	-	-	3,336,581	-	3,336,581
NET POSITION					
Net Investment in Capital Assets	12,898,454	-	1,158,526	(3,114,095)	10,942,885
Restricted	571,678	-	11,174	848,689	1,431,541
Unrestricted	17,119,709	41	132,744	167,444	17,419,938
Total Net Position	<u>30,589,840</u>	<u>41</u>	<u>1,302,444</u>	<u>(2,097,962)</u>	<u>29,794,363</u>
Total Liabilities and Net Position	<u>\$ 30,969,135</u>	<u>\$ 41</u>	<u>\$ 18,148,269</u>	<u>\$ 4,335,711</u>	<u>\$ 53,453,156</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Primary Government	Westgate Housing, LLC	The Spectra Organization Inc.	Banyan Club Apartment Holding Corporation	Total
OPERATING REVENUE	\$ 73,188,012	\$ 106,266	\$ 1,670,606	\$ 1,457,683	\$ 76,422,567
OPERATING EXPENSES	69,806,931	106,265	1,194,385	992,169	72,099,750
INCOME(LOSS) FROM OPERATIONS	3,381,081	1	476,221	465,514	4,322,817
NONOPERATING REVENUE (EXPENSES)	871,327	-	(381,117)	(298,437)	191,773
LOSS BEFORE CAPITAL GRANTS	4,252,408	1	95,104	167,077	4,514,590
CAPITAL GRANTS	3,045,705	-	-	-	3,045,705
CHANGE IN NET POSITION	7,298,113	1	95,104	167,077	7,560,295
NET POSITION - BEGINNING OF YEAR	23,291,727	40	1,207,340	(2,265,039)	22,234,068
NET POSITION - END OF YEAR	<u>\$ 30,589,840</u>	<u>\$ 41</u>	<u>\$ 1,302,444</u>	<u>\$ (2,097,962)</u>	<u>\$ 29,794,363</u>

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 15 CONDENSED BLENDED COMPONENT UNIT INFORMATION (CONTINUED)

Condensed Statement of Cash Flows

	Primary Government	Westgate Housing, LLC	The Spectra Organization Inc.	Banyan Club Apartment Holding Corporation	Total
NET CASH PROVIDED (USED) BY					
Operating Activities	\$ 5,136,527	\$ -	\$ 384,638	\$ 302,836	\$ 5,824,001
Capital and Related Financing Activities	(3,931,579)	-	1,195,735	(136,592)	(2,872,436)
Investing Activities	1,887,850	-	(1,761,939)	(35,623)	90,288
NET INCREASE (DECREASE) IN CASH	3,092,798	-	(181,566)	130,621	3,041,853
Cash - Beginning of Year	5,456,689	-	425,435	999,275	6,881,399
CASH - END OF YEAR	<u>\$ 8,549,487</u>	<u>\$ -</u>	<u>\$ 243,869</u>	<u>\$ 1,129,896</u>	<u>\$ 9,923,252</u>

NOTE 16 SUBSEQUENT EVENTS

The Authority is currently working to redevelop Drexel House Apartments, a 100 unit 1-bedroom senior complex within their public housing portfolio. The plan is to construct a complex in front of the current property with 188 units and demolish the old Drexel House Apartments site. The current residents would be eligible for HUD Tenant Protection Vouchers that could only be used for the new property. The PBCHA is obtaining approval from HUD for a RAD conversion.

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Line Item No.	Account Description	Seminole Estate Apt. Operating AMP 2	Dyson Circle Operating AMP 6	Other Projects	Total AMPs 14.850 14.872	Section 8 Housing Choice Vouchers 14.871	Mainstream Vouchers 14.879	Emergency Housing Voucher 14.EHV	Housing Opportunities for Person with AIDS 14.241	Family Self-Sufficiency Program 14.896	Jobs-Plus Pilot Initiative 14.895
ASSETS											
CURRENT ASSETS											
Cash:											
111	Unrestricted	\$ 625,993	\$ 326,414	\$ 205,392	\$ 1,157,799	\$ 2,358,964	\$ 262,773	\$ 167,801	\$ -	\$ 184	\$ 1,378
113	Other - Restricted	49,343	27,265	-	76,608	230,928	366,516	69,119	-	235,908	-
114	Tenant Security Deposits	66,340	42,915	-	109,255	-	-	-	-	-	-
115	Restricted for Payment of Current Liabilities	13,081	-	-	13,081	109,794	-	-	-	-	-
100	Total Cash	754,757	396,594	205,392	1,356,743	2,699,686	629,289	236,920	-	236,092	1,378
Accounts Receivables:											
121	Accounts Receivable - PHA Projects	17,874	15,018	-	32,892	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	72,619	107,758	-	180,377	201,462	-	-	-	3,962	45,335
124	Accounts Receivable - Other Government	-	-	-	-	22,065	-	-	321,835	-	-
125	Accounts Receivable - Miscellaneous	5,177	-	-	5,177	1,249,249	61,478	18,325	12,486	-	-
126	Accounts Receivable - Tenants Dwelling Rents	53,199	20,194	-	73,393	-	-	-	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(13,890)	(2,853)	-	(16,743)	-	-	-	-	-	-
126.2	Allowance for Doubtful Accounts - Miscellaneous	-	-	-	-	(957,720)	-	-	-	-	-
127	Notes, Loans, and Mortgage Receivables - Current	-	-	-	-	-	-	-	-	-	-
128	Fraud Recovery	13,560	17,536	-	31,096	168,919	24,751	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	57,575	57,575	-	-	-	-	-	-
120	Total Accounts Receivables, Net	148,539	157,653	57,575	363,767	683,975	86,229	18,325	334,321	3,962	45,335
Other Current Assets:											
142	Prepaid Expenses and Other Assets	169,952	70,637	-	240,589	71,624	12,890	1,782	5,235	-	1,791
143	Inventories	46,644	15,132	-	61,776	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	(2,332)	(757)	-	(3,089)	-	-	-	-	-	-
144	Interprogram Due from	-	-	-	-	-	-	-	-	-	-
140	Total Other Current Assets	214,264	85,012	-	299,276	71,624	12,890	1,782	5,235	-	1,791
150	Total Current Assets	1,117,560	639,259	262,967	2,019,786	3,455,285	728,408	257,027	339,556	240,054	48,504
NONCURRENT ASSETS											
Capital Assets:											
161	Land	1,784,422	959,600	-	2,744,022	-	-	-	-	-	-
162	Buildings	19,555,570	9,894,317	-	29,449,887	-	-	-	-	-	-
163	Furniture, Equipment, and Machinery - Dwellings	394,905	296,073	-	690,978	-	-	-	-	-	-
164	Furniture, Equipment, and Machinery - Administration	788,323	854,937	-	1,643,260	471,655	30,026	-	-	-	-
165	Leasehold Improvements	18,995	24,800	-	43,795	70,806	-	-	-	-	-
166	Accumulated Depreciation	(16,837,792)	(9,644,653)	-	(26,482,445)	(384,093)	(18,016)	-	-	-	-
167	Construction in Progress	1,767,671	1,064,494	-	2,832,165	-	-	-	-	-	-
160	Total Fixed Assets, Net	7,472,094	3,449,568	-	10,921,662	158,368	12,010	-	-	-	-
171	Notes, Loans, and Mortgages Receivable - Noncurrent	-	-	2,750,000	2,750,000	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-	-	-
180	Total Noncurrent Assets	7,472,094	3,449,568	2,750,000	13,671,662	158,368	12,010	-	-	-	-
190	Total Assets	\$ 8,589,654	\$ 4,088,827	\$ 3,012,967	\$ 15,691,448	\$ 3,613,653	\$ 740,418	\$ 257,027	\$ 339,556	\$ 240,054	\$ 48,504

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2025

Line Item No.	Account Description	Resident Opportunity and Supportive Services 14.87	Community Development Block Grants/Entitlement 14.218	Youthbuild 17.274	Central Office Cost Center	Business Activities	Blended Component Unit	Subtotal	Eliminations	Total
ASSETS										
CURRENT ASSETS										
Cash:										
111	Unrestricted	\$ -	\$ 1,215	2,581.00	\$ 638,242	\$ 2,640,806	\$ 358,369	\$ 7,590,112	\$ -	\$ 7,590,112
113	Other - Restricted	-	100,494	-	-	-	859,860	1,939,433	-	1,939,433
114	Tenant Security Deposits	-	6,000	-	-	-	155,577	270,832	-	270,832
115	Restricted for Payment of Current Liabilities	-	-	-	-	-	-	122,875	-	122,875
100	Total Cash	-	107,709	2,581	638,242	2,640,806	1,373,806	9,923,252	-	9,923,252
Accounts Receivables:										
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	32,892	(32,892)	-
122	Accounts Receivable - HUD Other Projects	9,037	-	-	-	-	-	440,173	-	440,173
124	Accounts Receivable - Other Government	-	-	13,222	-	-	-	357,122	-	357,122
125	Accounts Receivable - Miscellaneous	-	-	-	49,176	168,915	169,177	1,733,983	-	1,733,983
126	Accounts Receivable - Tenants Dwelling Rents	-	1,686	-	-	-	70,379	145,458	-	145,458
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	(16,743)	-	(16,743)
126.2	Allowance for Doubtful Accounts - Miscellaneous	-	-	-	-	-	-	(957,720)	-	(957,720)
127	Notes, Loans, and Mortgage Receivables - Current	-	-	-	-	-	524,910	524,910	-	524,910
128	Fraud Recovery	-	-	-	-	-	-	224,766	-	224,766
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	1,612,800	-	-	178,831	-	1,849,206	-	1,849,206
120	Total Accounts Receivables, Net	9,037	1,614,486	13,222	49,176	347,746	764,466	4,334,047	(32,892)	4,301,155
Other Current Assets:										
142	Prepaid Expenses and Other Assets	711	6,368	1,691	44,537	2,123	123,548	512,889	-	512,889
143	Inventories	-	-	-	-	-	17,797	79,573	-	79,573
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	(3,089)	-	(3,089)
144	Interprogram Due from	-	-	-	314,974	-	-	314,974	(314,974)	-
140	Total Other Current Assets	711	6,368	1,691	359,511	2,123	141,345	904,347	(314,974)	589,373
150	Total Current Assets	9,748	1,728,563	17,494	1,046,929	2,990,675	2,279,617	15,161,646	(347,866)	14,813,780
NONCURRENT ASSETS										
Capital Assets:										
161	Land	-	232,894	-	-	1,100,000	4,456,515	8,533,431	-	8,533,431
162	Buildings	-	755,870	-	-	-	10,679,473	40,885,230	-	40,885,230
163	Furniture, Equipment, and Machinery - Dwellings	-	5,360	-	-	-	-	696,338	-	696,338
164	Furniture, Equipment, and Machinery - Administration	-	-	-	371,553	41,906	194,669	2,753,069	-	2,753,069
165	Leasehold Improvements	-	6,425	-	-	-	522,185	643,211	-	643,211
166	Accumulated Depreciation	-	(332,521)	-	(333,167)	(41,906)	(1,802,556)	(29,394,704)	-	(29,394,704)
167	Construction in Progress	-	-	-	-	-	3,093,249	5,925,414	-	5,925,414
160	Total Fixed Assets, Net	-	668,028	-	38,386	1,100,000	17,143,535	30,041,989	-	30,041,989
171	Notes, Loans, and Mortgages Receivable - Noncurrent	-	3,360,000	-	-	166,544	3,060,869	9,337,413	(1,916,544)	7,420,869
174	Other Assets	-	-	-	-	1,176,518	-	1,176,518	-	1,176,518
180	Total Noncurrent Assets	-	4,028,028	-	38,386	2,443,062	20,204,404	40,555,920	(1,916,544)	38,639,376
190	Total Assets	\$ 9,748	\$ 5,756,591	\$ 17,494	\$ 1,085,315	\$ 5,433,737	\$ 22,484,021	\$ 55,717,566	\$ (2,264,410)	\$ 53,453,156

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2025

Line Item No.	Account Description	Seminole Estate Apt. Operating AMP 2	Dyson Circle Operating AMP 6	Other Projects	Total AMPs 14.850 14.872	Section 8 Housing Choice Vouchers 14.871	Mainstream Vouchers 14.879	Emergency Housing Voucher 14.EHV	Housing Opportunities for Person with AIDS 14.241	Family Self-Sufficiency Program 14.896	Jobs-Plus Pilot Initiative 14.895
LIABILITIES AND NET POSITION											
CURRENT LIABILITIES											
312	Accounts Payable ≤ 90 Days	\$ 97,423	\$ 27,159	\$ -	\$ 124,582	\$ 127,587	\$ 4,859	\$ 2,320	\$ 6,791	\$ -	\$ 6,143
321	Accrued Wages/Payroll Taxes Payable	17,915	5,293	-	23,208	12,881	1,133	284	3,231	2,960	4,823
322	Accrued Compensated Absences	45,366	5,327	-	50,693	15,275	1,309	330	8,885	1,186	4,544
325	Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-	-	-	32,892
333	Accounts Payable - Other Government	110,097	32,208	-	142,305	67,074	-	-	-	-	-
341	Tenant Security Deposits	66,340	42,915	-	109,255	-	-	-	-	-	-
342	Unearned Revenues	11,892	13,078	-	24,970	-	147,500	65,235	-	-	-
343	Current Portion of LT Debt - Capital Projects	-	-	-	-	-	-	-	-	-	-
345	Other Current Liabilities	13,081	-	-	13,081	109,794	-	-	-	-	-
346	Accrued Liabilities - Other	115,723	144,111	-	259,834	107,270	11,513	720	5,112	-	-
347	Interprogram Due to	-	-	-	-	-	-	-	314,919	-	-
310	Total Current Liabilities	<u>477,837</u>	<u>270,091</u>	<u>-</u>	<u>747,928</u>	<u>439,881</u>	<u>166,314</u>	<u>68,889</u>	<u>338,938</u>	<u>4,146</u>	<u>48,402</u>
NONCURRENT LIABILITIES											
351	Long-Term Debt, Net of Current - Capital Project	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	49,343	27,265	-	76,608	230,928	2,672	-	-	-	-
354	Accrued Compensated Absences - Noncurrent	22,345	-	-	22,345	2,685	228	57	5,150	-	102
350	Total Noncurrent Liabilities	<u>71,688</u>	<u>27,265</u>	<u>-</u>	<u>98,953</u>	<u>233,613</u>	<u>2,900</u>	<u>57</u>	<u>5,150</u>	<u>-</u>	<u>102</u>
300	Total Liabilities	549,525	297,356	-	846,881	673,494	169,214	68,946	344,088	4,146	48,504
400	Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-	-
NET POSITION											
508.4	Net Investment in Capital Assets	7,472,094	3,449,568	-	10,921,662	158,368	12,010	-	-	-	-
511.4	Restricted	-	-	-	-	-	231,392	3,884	-	235,908	-
512.4	Unrestricted	568,035	341,903	3,012,967	3,922,905	2,781,791	327,803	184,197	(4,532)	-	-
513	Total Net Position	<u>8,040,129</u>	<u>3,791,471</u>	<u>3,012,967</u>	<u>14,844,567</u>	<u>2,940,159</u>	<u>571,204</u>	<u>188,081</u>	<u>(4,532)</u>	<u>235,908</u>	<u>-</u>
600	Total Liabilities and Net Position	<u>\$ 8,589,654</u>	<u>\$ 4,088,827</u>	<u>\$ 3,012,967</u>	<u>\$ 15,691,448</u>	<u>\$ 3,613,653</u>	<u>\$ 740,418</u>	<u>\$ 257,027</u>	<u>\$ 339,556</u>	<u>\$ 240,054</u>	<u>\$ 48,504</u>

**PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2025**

Line Item No.	Account Description	Resident Opportunity and Supportive Services 14.87	Community Development Block Grants/Entitlement Grants 14.218	Youthbuild 17.274	Central Office Cost Center	Business Activities	Blended Component Unit	Subtotal	Eliminations	Total
LIABILITIES AND NET POSITION										
CURRENT LIABILITIES										
312	Accounts Payable ≤90 Days	\$ 7,273	\$ 2,775	3,639	\$ 34,429	\$ 3,318	\$ 528,011	\$ 851,727	\$ -	\$ 851,727
321	Accrued Wages/Payroll Taxes Payable	1,639	235	6,685	21,915	25,262	-	104,256	-	104,256
322	Accrued Compensated Absences	779	439	4,843	54,394	33,469	-	176,146	-	176,146
325	Accrued Interest Payable	-	-	-	-	-	60,358	60,358	-	60,358
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	32,892	(32,892)	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	209,379	-	209,379
341	Tenant Security Deposits	-	6,000	-	-	-	155,574	270,829	-	270,829
342	Unearned Revenues	-	2,625	-	-	-	2,008	242,338	-	242,338
343	Current Portion of LT Debt - Capital Projects	-	-	-	-	-	1,403,042	1,403,042	-	1,403,042
345	Other Current Liabilities	-	-	-	-	-	-	122,875	-	122,875
346	Accrued Liabilities - Other	-	-	-	29,257	-	97,862	511,568	-	511,568
347	Interprogram Due to	55	-	-	-	-	-	314,974	(314,974)	-
310	Total Current Liabilities	9,746	12,074	15,167	139,995	62,049	2,246,855	4,300,384	(347,866)	3,952,518
NONCURRENT LIABILITIES										
351	Long-Term Debt, Net of Current - Capital Project	-	-	-	-	-	17,696,062	17,696,062	(1,750,000)	15,946,062
353	Noncurrent Liabilities - Other	-	166,544	-	-	-	-	476,752	(166,544)	310,208
354	Accrued Compensated Absences - Noncurrent	-	273	2,325.00	58,881	21,378	-	113,424	-	113,424
350	Total Noncurrent Liabilities	-	166,817	2,325	58,881	21,378	17,696,062	18,286,238	(1,916,544)	16,369,694
300	Total Liabilities	9,746	178,891	17,492	198,876	83,427	19,942,917	22,586,622	(2,264,410)	20,322,212
400	Deferred Inflow of Resources	-	-	-	-	-	3,336,581	3,336,581	-	3,336,581
NET POSITION										
508.4	Net Investment in Capital Assets	-	668,028	-	38,386	1,100,000	(1,955,569)	10,942,885	-	10,942,885
511.4	Restricted	-	100,494	-	-	-	859,863	1,431,541	-	1,431,541
512.4	Unrestricted	2	4,809,178	2	848,053	4,250,310	300,229	17,419,938	-	17,419,938
513	Total Net Position	2	5,577,700	2	886,439	5,350,310	(795,477)	29,794,363	-	29,794,363
600	Total Liabilities and Net Position	\$ 9,748	\$ 5,756,591	\$ 17,494	\$ 1,085,315	\$ 5,433,737	\$ 22,484,021	\$ 55,717,566	\$ (2,264,410)	\$ 53,453,156

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2025

Line Item No.	Account Description	Seminole Estate Apt. Operating AMP 2	Seminole Estate Apt. Capital AMP 2	Dyson Circle Operating AMP 6	Dyson Circle Capital AMP 6	Other Projects	Total AMPs 14,850 14,872	Section 8 Housing Choice Vouchers 14,871	Mainstream Vouchers 14,879
REVENUE									
Tenant Revenue:									
70300	Net Tenant Rental Revenue	\$ 1,195,366	\$ -	\$ 367,178	\$ -	\$ -	\$ 1,562,544	\$ -	\$ -
70400	Tenant Revenue - Other	38,639	-	26,244	-	-	64,883	30	-
70500	Total Tenant Revenue	1,234,005	-	393,422	-	-	1,627,427	30	-
70600	HUD PHA Operating Grants	1,017,464	397,934	567,663	149,196	-	2,132,257	49,527,753	5,154,588
70610	HUD PHA Capital Grants	-	2,083,757	-	961,948	-	3,045,705	-	-
Fee Revenue:									
70710	Management Fee	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-	-	-
71500	Mortgage Interest Income	5,796	-	2,988	-	69,042	77,826	23,081	6,135
71400	Fraud Recovery	100	-	6,821	-	-	6,921	245,939	34,634
71500	Other Revenue	223,331	-	270,174	-	24,800	518,305	3,944,208	-
71600	Gain or Loss on Sale of Capital Assets	451,430	-	(38,496)	-	-	412,934	-	-
70000	Total Revenue	2,932,126	2,481,691	1,202,572	1,111,144	93,842	7,821,375	53,741,011	5,195,357
EXPENSES									
Administrative:									
91100	Administrative Salaries	285,377	-	151,463	-	-	436,840	599,049	54,482
91200	Auditing Fees	15,930	-	6,196	-	-	22,126	58,635	7,744
91300	Management Fee	293,250	200,573	135,813	90,112	-	719,748	356,172	34,032
91310	Book-Keeping Fee	25,734	-	11,918	-	-	37,652	222,608	21,270
91400	Advertising and Marketing	4,283	1,288	1,613	869	-	8,053	7,360	259
91500	Employee Benefit Contributions - Administrative	111,414	-	39,247	-	-	150,661	141,693	13,009
91600	Office Expenses	143,451	23	71,859	-	-	215,333	278,382	27,072
91700	Legal Expense	14,977	-	5,201	-	0	20,178	7,775	-
91800	Travel	1,166	-	531	-	-	1,697	10,121	1,161
91900	Other	11,492	-	4,248	-	-	15,740	379,170	18,077
91000	Total Operating - Administrative	907,074	201,884	428,089	90,981	-	1,628,028	2,060,965	177,106
92000	Asset Management Fee	35,160	-	16,080	-	-	51,240	-	-
Tenant Services:									
92100	Tenant Services - Salaries	-	-	-	-	-	-	-	-
92200	Relocation Costs	38,407	-	9,101	-	-	47,508	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	4,290	-	1,920	-	-	6,210	-	-
92500	Total Tenant Services	42,697	-	11,021	-	-	53,718	-	-
Utilities:									
93100	Water	33,205	-	15,989	-	-	49,194	671	60
93200	Electricity	48,124	-	23,539	-	-	71,663	6,385	568
93500	Labor	0	-	-	-	-	-	-	-
93600	Sewer	37,758	-	24,096	-	-	61,854	1,006	89
93000	Total Utilities	119,087	-	63,624	-	-	182,711	8,062	717

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

Line Item No.	Account Description	Emergency Housing Voucher 14.EHV	Housing Opportunities for Person with AIDS 14.241	Family Self-Sufficiency Program 14.896	Jobs-Plus Pilot Initiative 14.895	Resident Opportunity and Supportive Services 14.87	Community Development Block Grants/Entitlement Grants 14.218	Youthbuild 17.274	Central Office Cost Center
REVENUE									
Tenant Revenue:									
70300	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,306	\$ -	\$ -
70400	Tenant Revenue - Other	-	-	-	-	-	1,910	-	-
70500	Total Tenant Revenue	-	-	-	-	-	130,216	-	-
70600	HUD PHA Operating Grants	1,614,507	3,729,066	127,518	657,256	95,080	-	-	-
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-
Fee Revenue:									
70710	Management Fee	-	-	-	-	-	-	-	1,149,054
70720	Asset Management Fee	-	-	-	-	-	-	-	51,240
70730	Book-Keeping Fee	-	-	-	-	-	-	-	288,100
70700	Total Fee Revenue	-	-	-	-	-	-	-	1,488,394
70800	Other Government Grants	-	-	-	-	-	-	515,744	-
71500	Mortgage Interest Income	3,733	-	-	-	-	202,387	-	12,424
71400	Fraud Recovery	-	-	-	-	-	-	-	-
71500	Other Revenue	-	-	227,370	-	-	18,276	400.00	-
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-
70000	Total Revenue	1,618,240	3,729,066	354,888	657,256	95,080	350,879	516,144	1,500,818
EXPENSES									
Administrative:									
91100	Administrative Salaries	14,666	46,816	-	-	-	2,868	-	825,426
91200	Auditing Fees	3,319	6,415	-	664	-	1,548	664.00	6,196
91300	Management Fee	10,512	-	-	-	-	13,161	-	-
91310	Book-Keeping Fee	6,570	-	-	-	-	-	-	-
91400	Advertising and Marketing	1,173	-	-	-	-	-	2,508	3,917
91500	Employee Benefit Contributions - Administrative	3,589	12,308	-	-	-	967	-	222,353
91600	Office Expenses	9,350	17,705	2,861	32,962	15,619	439	31,452	272,940
91700	Legal Expense	-	-	-	-	-	14	-	12,115
91800	Travel	348	3,667.00	3,364.00	325	-	-	437	13,601
91900	Other	4,231	4,419	0	411	153	-	11,978	32,712
91000	Total Operating - Administrative	53,758	91,330	6,225	34,362	15,772	18,997	47,039	1,389,260
92000	Asset Management Fee	-	-	-	-	-	-	-	-
Tenant Services:									
92100	Tenant Services - Salaries	-	55,133	86,166	139,298	56,801	-	262,895	-
92200	Relocation Costs	-	-	-	-	-	-	1,009.00	-
92300	Employee Benefit Contributions - Tenant Services	-	8,434	28,339	29,610	19,098	-	94,755	-
92400	Tenant Services - Other	71,015	-	-	13,496	-	-	81,095	181
92500	Total Tenant Services	71,015	63,567	114,505	182,404	75,899	-	439,754	181
Utilities:									
93100	Water	15	37	-	56	-	230	-	965
93200	Electricity	142	356	-	532	-	73	-	8,100
93500	Labor	-	-	-	-	-	-	-	-
93600	Sewer	22	56	-	84	-	318	-	1,257
93000	Total Utilities	179	449	-	672	-	621	-	10,322

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

Line Item No.	Account Description	Business Activities	Blended Component Unit	Subtotal	Eliminations	Total
REVENUE						
Tenant Revenue:						
70300	Net Tenant Rental Revenue	\$ -	\$ 2,622,254	\$ 4,313,104	\$ -	\$ 4,313,104
70400	Tenant Revenue - Other	-	-	66,823	-	66,823
70500	Total Tenant Revenue	-	2,622,254	4,379,927	-	4,379,927
70600	HUD PHA Operating Grants	-	-	63,038,025	-	63,038,025
70610	HUD PHA Capital Grants	-	-	3,045,705	-	3,045,705
Fee Revenue:						
70710	Management Fee	273,611	13,016	1,435,681	(1,435,681)	-
70720	Asset Management Fee	-	-	51,240	(51,240)	-
70730	Book-Keeping Fee	-	-	288,100	(288,100)	-
70700	Total Fee Revenue	273,611	13,016	1,775,021	(1,775,021)	-
70800	Other Government Grants	-	-	515,744	-	515,744
71500	Mortgage Interest Income	48,146	15,911	389,643	-	389,643
71400	Fraud Recovery	-	-	287,494	-	287,494
71500	Other Revenue	3,828,708	583,374	9,120,641	(919,264)	8,201,377
71600	Gain or Loss on Sale of Capital Assets	-	-	412,934	-	412,934
70000	Total Revenue	4,150,465	3,234,555	82,965,134	(2,694,285)	80,270,849
EXPENSES						
Administrative:						
91100	Administrative Salaries	467,324	157,223	2,604,694	(294,738)	2,309,956
91200	Auditing Fees	3,319	28,166	138,796	-	138,796
91300	Management Fee	-	302,056	1,435,681	(1,435,681)	-
91310	Book-Keeping Fee	-	-	288,100	(288,100)	-
91400	Advertising and Marketing	-	1,240	24,510	-	24,510
91500	Employee Benefit Contributions - Administrative	122,368	-	666,948	-	666,948
91600	Office Expenses	41,496	198,964	1,144,575	-	1,144,575
91700	Legal Expense	985	28,573	69,640	-	69,640
91800	Travel	3,390	-	38,111	-	38,111
91900	Other	4,991	17,678	489,560	-	489,560
91000	Total Operating - Administrative	643,873	733,900	6,900,615	(2,018,519)	4,882,096
92000	Asset Management Fee	-	-	51,240	(51,240)	-
Tenant Services:						
92100	Tenant Services - Salaries	-	-	600,293	-	600,293
92200	Relocation Costs	-	-	48,517	-	48,517
92300	Employee Benefit Contributions - Tenant Services	-	-	180,236	-	180,236
92400	Tenant Services - Other	-	-	171,997	-	171,997
92500	Total Tenant Services	-	-	1,001,043	-	1,001,043
Utilities:						
93100	Water	140	23,638	75,006	-	75,006
93200	Electricity	1,330	19,406	108,555	-	108,555
93500	Labor	-	-	-	-	-
93600	Sewer	210	8,368	73,264	-	73,264
93000	Total Utilities	1,680	51,412	256,825	-	256,825

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

Line Item No.	Account Description	Seminole Estate Apt. Operating AMP 2	Seminole Estate Apt. Capital AMP 2	Dyson Circle Operating AMP 6	Dyson Circle Capital AMP 6	Other Projects	Total AMPs 14.850 14.872	Section 8 Housing Choice Vouchers 14.871	Mainstream Vouchers 14.879
EXPENSES (CONTINUED)									
Ordinary Maintenance and Operation:									
94100	Ordinary Maintenance and Operations - Labor	262,017	-	76,786	-	-	338,803	-	-
94200	Ordinary Maintenance and Operations - Material and Other	178,988	-	68,158	-	-	247,146	906	48
94300	Ordinary Maintenance and Operations - Contract Costs	472,413	57,590	171,524	10,629	-	712,156	57,970	1,222
94500	Employee Benefit Contributions - Ordinary Maintenance	82,603	-	19,019	-	-	101,622	-	-
94000	Total Ordinary Maintenance and Operation	996,021	57,590	335,487	10,629	-	1,399,727	58,876	1,270
Insurance Premiums:									
96110	Property Insurance	465,015	-	178,962	-	-	643,977	-	-
96120	Liability Insurance	38,293	-	17,518	-	-	55,811	-	-
96130	Workers' Compensation	20,678	-	7,812	-	-	28,490	8,383	675
96140	All Other Insurance	-	-	904	-	-	904	-	-
96100	Total Insurance Premiums	523,986	-	205,196	-	-	729,182	8,383	675
Other General Expenses:									
96200	Other General Expenses	33,452	368	19,483	-	-	53,303	23,090	2,239
96210	Compensated Absences	48,725	-	10,057	-	-	58,782	21,356	1,882
96300	Payments in Lieu of Taxes	110,097	-	32,208	-	-	142,305	-	-
96400	Bad Debt - Tenant Rents	15,486	-	2,916	-	-	18,402	-	-
96600	Bad Debt - Other	0	-	-	-	-	-	197,450	-
96800	Severance Expense	-	-	232	-	-	232	-	-
96000	Total Other General Expenses	207,760	368	64,896	-	-	273,024	241,896	4,121
Interest Expense and Amortization Cost:									
96710	Interest on Mortgage (or Bonds) Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	2,831,785	259,842	1,124,393	101,610	-	4,317,630	2,378,182	183,889
97000	Excess Operating Revenue Over Operating Expenses	100,341	2,221,849	78,179	1,009,534	93,842	3,503,745	51,362,829	5,011,468
Other Expenses:									
97300	Housing Assistance Payments	-	-	-	-	-	-	46,860,403	4,732,999
97350	HAP Portability-In	-	-	-	-	-	-	3,679,805	-
97400	Depreciation Expense	404,620	280,463	96,460	126,011	-	907,554	59,875	6,005
	Total Other Expenses	404,620	280,463	96,460	126,011	-	907,554	50,600,083	4,739,004
90000	Total Expenses	3,236,405	540,305	1,220,853	227,621	-	5,225,184	52,978,265	4,922,893
OTHER FINANCING SOURCES (USES)									
10010	Operating Transfer In	138,094	-	47,586	-	-	185,680	-	-
10020	Operating Transfer Out	-	(138,094)	-	(47,586)	-	(185,680)	-	-
10070	Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-
10100	Total Other Financing Sources (Uses)	138,094	(138,094)	47,586	(47,586)	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(166,185)	1,803,292	29,305	835,937	93,842	2,596,191	762,746	272,464
11030	Beginning Equity	6,403,022	-	2,926,229	-	2,919,125	12,248,376	2,177,413	298,740
NET POSITION - END OF YEAR		<u>\$ 6,236,837</u>	<u>\$ 1,803,292</u>	<u>\$ 2,955,534</u>	<u>\$ 835,937</u>	<u>\$ 3,012,967</u>	<u>\$ 14,844,567</u>	<u>\$ 2,940,159</u>	<u>\$ 571,204</u>

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

Line Item No.	Account Description	Emergency Housing Voucher 14.EHV	Housing Opportunities for Person with AIDS 14.241	Family Self-Sufficiency Program 14.896	Jobs-Plus Pilot Initiative 14.895	Resident Opportunity and Supportive Services 14.87	Community Development Block Grants/Entitlement Grants 14.218	Youthbuild 17.274	Central Office Cost Center
EXPENSES (CONTINUED)									
94100	Ordinary Maintenance and Operation:								
94100	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	3,692	-	-
94200	Ordinary Maintenance and Operations - Material and Other	15	29	-	30	-	478	2,020	2,200
94300	Ordinary Maintenance and Operations - Contract Costs	1,160	6,756	-	155	-	25,268	9,762	18,895
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	476	-	-
94000	Total Ordinary Maintenance and Operation	1,175	6,785	-	185	-	29,914	11,782	21,095
Insurance Premiums:									
96110	Property Insurance	-	-	-	-	-	21,707	-	-
96120	Liability Insurance	-	-	-	-	-	903	-	-
96130	Workers' Compensation	182	2,175	1,040	1,726	702	294	3,233	17,131
96140	All Other Insurance	-	(833)	-	-	-	159	-	4,255
96100	Total Insurance Premiums	182	1,342	1,040	1,726	702	23,063	3,233	21,386
Other General Expenses:									
96200	Other General Expenses	645	476	2,887	431,696	-	1	2,548.00	2,703
96210	Compensated Absences	490	11,917	2,508	6,211	2,705	522	11,786	67,366
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	24,084
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	-
96600	Bad Debt - Other	-	-	-	-	-	-	-	-
96800	Severance Expense	-	-	3,240	-	-	-	-	-
96000	Total Other General Expenses	1,135	12,393	8,635	437,907	2,705	523	14,334	94,153
Interest Expense and Amortization Cost:									
96710	Interest on Mortgage (or Bonds) Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	127,444	175,866	130,405	657,256	95,078	73,118	516,142	1,536,397
97000	Excess Operating Revenue Over Operating Expenses	1,490,796	3,553,200	224,483	-	2	277,761	2	(35,579)
Other Expenses:									
97300	Housing Assistance Payments	1,440,853	3,554,569	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-	-	-
97400	Depreciation Expense	-	-	-	-	-	26,482	-	17,417
	Total Other Expenses	1,440,853	3,554,569	-	-	-	26,482	-	17,417
90000	Total Expenses	1,568,297	3,730,435	130,405	657,256	95,078	99,600	516,142	1,553,814
OTHER FINANCING SOURCES (USES)									
10010	Operating Transfer In	-	-	-	-	-	-	-	-
10020	Operating Transfer Out	-	-	-	-	-	-	-	-
10070	Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-
10100	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	49,943	(1,369)	224,483	-	2	251,279	2	(52,996)
11030	Beginning Equity	138,138	(3,163)	11,425	-	-	5,326,421	-	939,379
NET POSITION - END OF YEAR		<u>\$ 188,081</u>	<u>\$ (4,532)</u>	<u>\$ 235,908</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 5,577,700</u>	<u>\$ 2</u>	<u>\$ 886,439</u>

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025

Line Item No.	Account Description	Business Activities	Blended Component Unit	Subtotal	Eliminations	Total
EXPENSES (CONTINUED)						
Ordinary Maintenance and Operation:						
94100	Ordinary Maintenance and Operations - Labor	222,161	-	564,656	(30,833)	533,823
94200	Ordinary Maintenance and Operations - Material and Other	117	331,701	584,690	-	584,690
94300	Ordinary Maintenance and Operations - Contract Costs	1,953	329,558	1,164,855	-	1,164,855
94500	Employee Benefit Contributions - Ordinary Maintenance	<u>26,853</u>	<u>-</u>	<u>128,951</u>	<u>-</u>	<u>128,951</u>
94000	Total Ordinary Maintenance and Operation	<u>251,084</u>	<u>661,259</u>	<u>2,443,152</u>	<u>(30,833)</u>	<u>2,412,319</u>
Insurance Premiums:						
96110	Property Insurance	-	286,721	952,405	-	952,405
96120	Liability Insurance	-	25,069	81,783	-	81,783
96130	Workers' Compensation	8,813	-	72,844	-	72,844
96140	All Other Insurance	<u>-</u>	<u>14,462</u>	<u>18,947</u>	<u>-</u>	<u>18,947</u>
96100	Total Insurance Premiums	<u>8,813</u>	<u>326,252</u>	<u>1,125,979</u>	<u>-</u>	<u>1,125,979</u>
Other General Expenses:						
96200	Other General Expenses	261	93,249	613,098	(524,943)	88,155
96210	Compensated Absences	49,386	-	234,911	-	234,911
96300	Payments in Lieu of Taxes	-	-	166,389	-	166,389
96400	Bad Debt - Tenant Rents	-	4,951	23,353	-	23,353
96600	Bad Debt - Other	-	-	197,450	-	197,450
96800	Severance Expense	<u>-</u>	<u>-</u>	<u>3,472</u>	<u>-</u>	<u>3,472</u>
96000	Total Other General Expenses	<u>49,647</u>	<u>98,200</u>	<u>1,238,673</u>	<u>(524,943)</u>	<u>713,730</u>
Interest Expense and Amortization Cost:						
96710	Interest on Mortgage (or Bonds) Payable	<u>\$ -</u>	<u>\$ 679,554</u>	<u>\$ 679,554</u>	<u>\$ (68,750)</u>	<u>\$ 610,804</u>
96700	Total Interest Expense and Amortization Cost	<u>-</u>	<u>679,554</u>	<u>679,554</u>	<u>(68,750)</u>	<u>610,804</u>
96900	Total Operating Expenses	<u>955,097</u>	<u>2,550,577</u>	<u>13,697,081</u>	<u>(2,694,285)</u>	<u>11,002,796</u>
97000	Excess Operating Revenue Over Operating Expenses	3,195,368	683,978	69,268,053	-	69,268,053
Other Expenses:						
97300	Housing Assistance Payments	-	-	56,588,824	-	56,588,824
97350	HAP Portability-In	-	-	3,679,805	-	3,679,805
97400	Depreciation Expense	<u>-</u>	<u>421,796</u>	<u>1,439,129</u>	<u>-</u>	<u>1,439,129</u>
	Total Other Expenses	<u>-</u>	<u>421,796</u>	<u>61,707,758</u>	<u>-</u>	<u>61,707,758</u>
90000	Total Expenses	955,097	2,972,373	75,404,839	(2,694,285)	72,710,554
OTHER FINANCING SOURCES (USES)						
10010	Operating Transfer In	-	-	185,680	(185,680)	-
10020	Operating Transfer Out	-	-	(185,680)	185,680	-
10070	Extraordinary Items, Net Gain/Loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10100	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	3,195,368	262,182	7,560,295	-	7,560,295
11030	Beginning Equity	<u>2,154,998</u>	<u>(1,057,659)</u>	<u>22,234,068</u>	<u>-</u>	<u>22,234,068</u>
NET POSITION - END OF YEAR		<u>\$ 5,350,310</u>	<u>\$ (795,477)</u>	<u>\$ 29,794,363</u>	<u>\$ -</u>	<u>\$ 29,794,363</u>

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF NET POSITION
BLENDED COMPONENT UNIT
SEPTEMBER 30, 2025

Line Item No.	Account Description	Westgate Housing LLC	The SPECTRA Organization, Inc.	Banyan Club Apartments Holding Corporation	Total Blended Component Unit
CURRENT ASSETS					
Cash:					
111	Unrestricted	\$ 41	\$ 192,576	\$ 165,752	\$ 358,369
113	Other - Restricted	-	11,171	848,689	859,860
114	Tenant Security Deposits	-	40,122	115,455	155,577
100	Total Cash	41	243,869	1,129,896	1,373,806
Accounts Receivables:					
125	Accounts Receivable - Miscellaneous	-	169,177	-	169,177
126	Accounts Receivable - Tenants Dwelling Rents	-	62,723	7,656	70,379
127	Notes Receivable, Current	-	524,910	-	524,910
120	Total Accounts Receivables, Net	-	756,810	7,656	764,466
Other Current Assets:					
142	Prepaid Expenses and Other Assets	-	64,231	59,317	123,548
143	Inventories	-	-	17,797	17,797
140	Total Other Current Assets	-	64,231	77,114	141,345
150	Total Current Assets	41	1,064,910	1,214,666	2,279,617
NONCURRENT ASSETS					
Capital Assets:					
161	Land	-	4,456,515	-	4,456,515
162	Buildings	-	7,205,405	3,474,068	10,679,473
164	Furniture, Equipment, and Machinery - Administration	-	34,765	159,904	194,669
165	Leasehold Improvements	-	-	522,185	522,185
167	Construction in Progress	-	3,093,249	-	3,093,249
166	Accumulated Depreciation	-	(767,444)	(1,035,112)	(1,802,556)
160	Total Fixed Assets, Net	-	14,022,490	3,121,045	17,143,535
171	Notes Receivable - Noncurrent	-	3,060,869	-	3,060,869
	Total Noncurrent Assets	-	3,060,869	-	3,060,869
190	Total Assets	\$ 41	\$ 18,148,269	\$ 4,335,711	\$ 22,484,021
LIABILITIES AND NET POSITION					
CURRENT LIABILITIES					
312	Accounts Payable < 90 Days	\$ -	\$ 469,543	\$ 58,468	\$ 528,011
322	Accrued Interest Payable	-	37,756	22,602	60,358
341	Tenant Security Deposits	-	40,119	115,455	155,574
342	Unearned Revenues	-	-	2,008	2,008
343	Current Portion of LT Debt - Capital Projects	-	1,260,388	142,654	1,403,042
346	Accrued Liabilities - Other	-	97,862	-	97,862
310	Total Current Liabilities	-	1,905,668	341,187	2,246,855
NONCURRENT LIABILITIES					
	Long-Term Debt, Net of Current - Capital Project	-	11,603,576	6,092,486	17,696,062
351	Total Noncurrent Liabilities	-	11,603,576	6,092,486	17,696,062
350					
300	Total Liabilities	-	13,509,244	6,433,673	19,942,917
400	Deferred Inflow of Resources	-	3,336,581	-	3,336,581
NET POSITION					
508.4	Net Investment in Capital Assets	-	1,158,526	(3,114,095)	(1,955,569)
511.4	Restricted	-	11,174	848,689	859,863
512.4	Unrestricted	41	132,744	167,444	300,229
513	Total Net Position	41	1,302,444	(2,097,962)	(795,477)
600	Total Liabilities and Net Position	\$ 41	\$ 18,148,269	\$ 4,335,711	\$ 22,484,021

PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION – BLENDED COMPONENT UNIT
YEAR ENDED SEPTEMBER 30, 2025

Line Item No.	Account Description	Westgate Housing LLC	The SPECTRA Organization, Inc.	Banyan Club Apartments Holding Corporation	Total Blended Component Unit
REVENUE					
Tenant Revenue:					
70300	Net Tenant Rental Revenue	\$ -	\$ 1,194,273	\$ 1,427,981	\$ 2,622,254
70500	Total Tenant Revenue	-	1,194,273	1,427,981	2,622,254
70710	Management Fee	13,016	-	-	13,016
71100	Investment Income - Unrestricted	1	-	15,910	15,911
71500	Other Revenue	93,249	476,333	13,792	583,374
70000	Total Revenue	106,266	1,670,606	1,457,683	3,234,555
EXPENSES					
Administrative:					
91100	Administrative Salaries	-	-	157,223	157,223
91200	Auditing Fees	-	882	27,284	28,166
91300	Management Fee	13,016	216,871	72,169	302,056
91400	Advertising and Marketing	-	1,100	140	1,240
91600	Office Expenses	-	173,182	25,782	198,964
91700	Legal Expenses	-	27,811	762	28,573
91900	Other	-	10,565	7,113	17,678
91000	Total Operating - Administrative	13,016	430,411	290,473	733,900
Utilities:					
93100	Water	-	4,002	19,636	23,638
93200	Electricity	-	16,007	3,399	19,406
93600	Sewer	-	3,923	4,445	8,368
93000	Total Utilities	-	23,932	27,480	51,412
Ordinary Maintenance and Operations:					
94200	Ordinary Maintenance and Operations - Material and Other	-	275,047	56,654	331,701
94300	Ordinary Maintenance and Operations - Contract Costs	-	-	329,558	329,558
94000	Total Ordinary Maintenance and Operation	-	275,047	386,212	661,259
Insurance Premiums:					
96110	Property Insurance	-	134,291	152,430	286,721
96120	Liability Insurance	-	25,069	-	25,069
96140	All Other Insurance	-	14,462	-	14,462
96100	Total Insurance Premiums	-	173,822	152,430	326,252
Other General Expenses:					
96200	Other General Expenses	93,249	-	-	93,249
96400	Bad Debt - Tenant Rents	-	-	4,951	4,951
96000	Total Other General Expenses	93,249	-	4,951	98,200
Interest Expense and Amortization Cost					
96710	Interest on Mortgage (or Bonds) Payable	-	381,117	298,437	679,554
96700	Total Interest Expense and Amortization Cost	-	381,117	298,437	679,554

**PALM BEACH COUNTY HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION – BLENDED COMPONENT UNIT (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025**

Line Item No.	Account Description	Westgate Housing LLC	The SPECTRA Organization, Inc.	Banyan Club Apartments Holding Corporation	Total Blended Component Unit
96900	Total Operating Expenses	\$ 106,265	\$ 1,284,329	\$ 1,159,983	\$ 2,550,577
97000	Excess Operating Revenue Over Operating Expenses	1	386,277	297,700	683,978
	Other Expenses:				
97400	Depreciation Expense	-	291,173	130,623	421,796
	Total Other Expenses	-	291,173	130,623	421,796
90000	Total Expenses	106,265	1,575,502	1,290,606	2,972,373
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	1	95,104	167,077	262,182
11030	Beginning Equity	40	1,207,340	(2,265,039)	(1,057,659)
	NET POSITION - END OF YEAR	<u>\$ 41</u>	<u>\$ 1,302,444</u>	<u>\$ (2,097,962)</u>	<u>\$ (795,477)</u>



**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***

Board of Commissioners
Palm Beach County Housing Authority
West Palm Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Palm Beach County Housing Authority (the Authority), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 4, 2026.

Report on Internal Control Over Financial Reporting

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

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

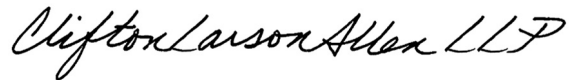
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Lakeland, Florida
June 4, 2026



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

Board of Commissioners
Palm Beach County Housing Authority
West Palm Beach, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Palm Beach County Housing Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2025. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, and 2025-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, and 2025-003, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Lakeland, Florida
June 4, 2026

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Passed Through to Subrecipients	Grant Expenditures
DIRECT FEDERAL ASSISTANCE				
<u>U.S. Department of Housing and Urban Development</u>				
<u>Housing Voucher Cluster:</u>				
Section 8 Housing Choice Vouchers Program	14.871	N/A	\$ -	\$ 49,527,753
Emergency Housing Vouchers	14.871	N/A	-	1,614,507
Total ALN 14.871			<u>-</u>	<u>\$ 51,142,260</u>
Mainstream Vouchers	14.879	N/A	-	5,154,588
Total Housing Voucher Cluster			<u>-</u>	<u>56,296,848</u>
Public and Indian Housing	14.850	N/A	-	1,585,127
Public Housing Capital Fund Program	14.872	N/A	-	3,592,835
Jobs-Plus Pilot Initiative	14.895	N/A	-	657,256
Resident Opportunity and Supportive Services	14.870	N/A	-	95,080
PIH Family Self-Sufficiency Program	14.896	N/A	<u>-</u>	<u>127,518</u>
<u>U.S. Department of Labor</u>				
YouthBuild	17.274	N/A	<u>-</u>	<u>515,744</u>
Total Expenditures of Direct Federal Awards			-	62,870,408
INDIRECT FEDERAL ASSISTANCE				
<u>U.S. Department of Housing and Urban Development</u>				
Pass Through City of West Palm Beach:				
Housing Opportunities for Persons with AIDS	14.241	22409.002	<u>-</u>	<u>3,729,066</u>
Total Expenditures of Indirect Federal Awards			<u>-</u>	<u>3,729,066</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 66,599,474</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Authority under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of 2 *CFR* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 2 INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 HOUSING CHOICE VOUCHER CLUSTER

The Authority received a total of \$56,296,848 in Housing Voucher Cluster funding.

This was comprised of the following amounts:

- \$49,527,753 in Section 8 Housing Choice Voucher Program (ALN 14.871)
- \$5,154,588 in Mainstream Voucher Program (ALN14.879)
- \$1,614,507 in Emergency Housing Vouchers (ALN 14.871)

The Authority reported a total of \$56,469,456 in expenditures on a full accrual basis for the Section 8 Housing Choice Voucher Program. The expenditures were paid with federal and nonfederal funds. The expenditures were the following:

- \$52,978,265 in Section 8 Housing Choice Voucher Program (ALN 14.871)
- \$4,922,893 in Mainstream Voucher Program (ALN 14.879)
- \$1,568,297 in Emergency Housing Vouchers (ALN 14.871)

The Authority reported \$3,679,805 in Port-In expenses during the fiscal year.

**PALM BEACH COUNTY HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2025**

NOTE 4 PUBLIC AND INDIAN HOUSING

The Authority received \$1,585,127 in federal funding for the Public and Indian Housing Program (ALN 14.850) during the year. The Authority reported \$4,457,258 in expenditures on a full accrual basis for the Public and Indian Housing Program during the year. Expenses were paid for by current year HUD funding, tenant rent, other sources of Public Housing revenue, and prior year reserves.

NOTE 5 HOUSING OPPORTUNITIES FOR PERSON WITH AIDS

The Authority received \$3,729,066 in federal funding passed through the City of West Palm Beach for the Housing Opportunities for Persons with AIDS (HOPWA) (ALN 14.241) during the year. The Authority reported \$3,730,435 in expenditures on a full accrual basis for HOPWA during the year. Expenses were paid for by current year HUD funding and prior year reserves.

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2025**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified? _____ Yes X No
 - Significant deficiency identified? _____ Yes X None Reported
3. Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

1. Internal control over major federal programs:
- Material weaknesses identified? _____ Yes X No
 - Significant deficiencies identified? X Yes _____ None Reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X Yes _____ No

Identification of Major Federal Programs

Federal Assistance Listing Numbers	Name of Federal Program or Cluster
14.871	<u>Housing Voucher Cluster</u>
	Section 8 Housing Choice Vouchers
14.879	Emergency Housing Vouchers
14.872	Mainstream Vouchers
	Public Housing Capital Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,997,844

Auditee qualified as low-risk auditee? _____ Yes X No

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Finding 2025 – 001 – Housing Voucher Cluster Eligibility

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program Title: Housing Voucher Cluster
Assistance Listing Numbers: 14.871 and 14.879
Federal Award Identification Number and Year: FL080; 2025
Award Period: October 1, 2024 to September 30, 2025
Type of Finding: Significant Deficiency in Internal Control Over Compliance,
Noncompliance (Other Matters)

Criteria or Specific Requirement: Most PHAs devise their own application forms that are filled out by the PHA staff during an interview with the tenant. The head of the household signs (a) one or more release forms to allow the PHA to obtain information from third parties; (b) a federally prescribed general release form for employment information; and (c) a privacy notice. Under some circumstances, other members of the family are required to sign these forms (24 CFR sections 5.212 and 5.230).

The PHA must do the following:

- (1) As a condition of admission or continued occupancy, require the tenant and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516).
- (2) For both family income examinations and reexaminations, obtain and document in the family file third-party verification of (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income-based rent (24 CFR section 982.516).
- (3) Determine income eligibility and calculate the tenant's rent payment using the documentation from third-party verification in accordance with 24 CFR Part 5 Subpart F (24 CFR section 5.601 et seq.) (24 CFR sections 982.201, 982.515, and 982.516).
- (4) Use the Enterprise Income Verification (EIV) system in its entirety to verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR 5.233; and reduce administrative and subsidy payment errors in accordance with 24 CFR 5.236 and other administrative guidance issued by HUD.
- (5) Reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third-party verification (24 CFR section 982.516).

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025**

Condition: During testing of 60 tenant files, eligibility-related exceptions were identified in 3 files.

- In 1 instance, the Form HUD-50058 in effect during fiscal year 2025 per Yardi was dated 2022. No recertification for the tenant had been performed since. As a result, key recent eligibility elements, including household composition, income, assets, expenses, eligibility determinations, and the accuracy of the HAP calculation, could not be verified.
- In 2 instances, HAP payments continued after tenants had vacated the assisted units and were no longer participating in the HCV program (end-of-participation dates of November 2023 and December 2023). The Authority was using old tenant data and was still paying HAP to the landlords in fiscal year 2025. For both households, the Authority initiated retroactive billing to recover HAP payments made after the tenant vacated; however, as of the date of testing, the funds had not been recovered from one landlord.

Questioned Costs: \$10,633

Context: Out of 60 tenant files tested, 3 tenant files contained errors as noted above.

Cause: The Authority had inadequate monitoring controls over (1) timely updates and recertifications in the tenant file, including Form HUD-50058, and (2) the timely termination of HAP payments upon tenant move-out.

Effect: Failure to maintain valid eligibility documentation and discontinue HAP payments timely increases the risk of:

- Unsupported eligibility determinations and inaccurate HAP calculations
- Improper payments to landlords for ineligible participants, resulting in potential questioned costs and noncompliance with HUD requirements.
- Inaccurate and untimely information reported to HUD

Repeat Finding: This is a repeat finding from previous years. The finding numbers were 2017-001, 2018-001, 2019-001, 2020-001, 2021-001, 2022-001, 2023-001, and 2024-001.

Recommendation: We recommend the Authority strengthen internal controls over tenant recertifications to ensure:

- Form HUD-50058 and supporting eligibility documentation are current, complete, and properly maintained for all tenants
- Timely processing of tenant move-outs and termination of HAP payments
- Ongoing monitoring procedures to identify and promptly resolve instances of continued payments after program exit, including timely recovery of any overpayments

Views of Responsible Officials: There is no disagreement with the audit finding.

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Finding 2025 – 002 – HQS Enforcement

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program Title: Housing Voucher Cluster
Assistance Listing Numbers: 14.871 and 14.879
Federal Award Identification Number and Year: FL080; 2025
Award Period: October 1, 2024 to September 30, 2025
Type of Finding: Significant Deficiency in Internal Control Over Compliance,
Noncompliance (Other Matters)

Criteria or Specific Requirement: For units under HAP contract that fail to meet HQS, the Authority must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified Authority-approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, the Authority must stop (abate) HAPs beginning no later than the first of the month following the specified correction period or must terminate the HAP contract. The owner is not responsible for a breach of HQS as a result of the family's failure to pay for utilities for which the family is responsible under the lease or for tenant damage. For family-caused defects, if the family does not correct the cited HQS deficiencies within the specified correction period, the Authority must take prompt and vigorous action to enforce the family obligations (24 CFR sections 982.158(d) and 982.404).

Condition: During testing of 60 tenant files, HQS enforcement-related exceptions were identified in 1 file.

- The Authority did not terminate the contract of 1 unit that failed to correct HQS deficiencies within the required timeframe.

Questioned Costs: None. HAP was properly abated for this unit.

Context: Out of 60 tenant files tested, 1 tenant file contained errors as noted above.

Cause: The Authority had inadequate monitoring and enforcement controls over HQS follow-up procedures, including ensuring timely contract termination when required corrective actions are not completed timely.

Effect: Failure to enforce HQS requirements increases the risk that:

- Program participants occupy units that do not meet HUD housing quality standards, and
- Improper HAP payments are made for noncompliant units, potentially resulting in questioned costs and noncompliance with HUD requirements.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the Authority strengthen internal controls over HQS enforcement by implementing procedures to track and monitor HQS deficiencies and required correction timelines.

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025**

Views of Responsible Officials: There is no disagreement with the audit finding.

Finding 2025 – 003 – Public Housing Eligibility

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program Title: Low Rent Public Housing
Assistance Listing Numbers: 14.850
Federal Award Identification Number and Year: FL080; 2025
Award Period: October 1, 2024 to September 30, 2025
Type of Finding: Significant Deficiency in Internal Control Over Compliance,
Noncompliance (Other Matters)

Criteria or Specific Requirement: Most PHAs devise their own application forms that are filled out by the PHA staff during an interview with the tenant. The head of household signs (a) a certification that the information provided to the PHA is correct; (b) one or more release forms to allow the PHA to get information from third parties; (c) a federally prescribed general release form for employment information; and (d) a privacy notice. Under some circumstances, other members of the family may be required to sign these forms (24 CFR sections 5.212, 5.230, and 5.601 through 5.615).

The PHA must do the following:

- (1) As a condition of admission or continued occupancy, require the tenant and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 960.259).
- (2) For both family income examinations and reexaminations, obtain and document in the family file third party verification of (a) reported family annual income, (b) the value of assets, (c) expenses related to deductions from annual income, and (d) other factors that affect the determination of adjusted income or income-based rent (24 CFR section 960.259).
- (3) Determine income eligibility and calculate the tenant's rent payment using the documentation from third party verification in accordance with 24 CFR Part 5, Subpart F (24 CFR sections 5.601 et seq., and 24 CFR sections 960.253, 960.255, and 960.259).
- (4) Select tenants from the public housing waiting list (see III.N.2, "Special Tests and Provisions – Public Housing Waiting List") (24 CFR sections 960.206 and 960.208).
- (5) Reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third party verification (24 CFR sections 960.253, 960.257, and 960.259).

Condition: During testing of 10 tenant files, eligibility related exceptions were identified in 2 files.

- In 1 instance, tenant income was improperly excluded, resulting in an inaccurate rent/subsidy calculation.
- In 1 instance, tenant income was improperly calculated, resulting in an inaccurate rent/subsidy calculation.

Questioned Costs: \$2,047

Context: Out of 10 tenant files tested, 2 tenant files contained errors as noted above.

**PALM BEACH COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2025**

Cause: The Authority had inadequate controls over the income verification and calculation processes, including insufficient review procedures to ensure all income sources are properly identified, evaluated, and included in rent calculations.

Effect: These deficiencies increase the risk that tenant rent and subsidy amounts are not calculated in accordance with HUD requirements, potentially resulting in:

- Overpayments or underpayments of subsidy,
- Incorrect tenant rent charges, and
- Noncompliance with HUD regulations, which may lead to questioned costs.

Repeat Finding: This is a repeat finding from previous years. The finding numbers were 2023-006 and 2024-006.

Recommendation: We recommend the Authority strengthen internal controls over income determination and rent calculation by:

- Enhancing procedures to ensure all sources of tenant income are properly identified, verified, and included in calculations
- Providing additional training to staff on HUD income determination and rent calculation requirements
- Implementing or strengthening supervisory review controls to detect and correct errors in a timely manner

Views of Responsible Officials: There is no disagreement with the audit finding.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.