

800 N. Magnolia Avenue
Suite 1100
Orlando, Florida 32803



T: 407.956.5600
F: 407.956.5599
eflorida.com

October 19, 2015

Mr. Mark Woodard
County Administrator
Pinellas County
315 Court St.
Clearwater, Florida 33756

Re: The Florida Development Finance Corporation
Annual Reporting Requirements

Dear Mr. Woodard:

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

- Audit results conducted pursuant to Section 11.45, Florida Statutes;
- A summary of the activities, operations and accomplishments of the Florida Development Finance Corporation which were conducted during Fiscal Year 2014, including the number of businesses assisted by the Corporation; and
- The assets, liabilities, income and operating expenses of the Corporation as of the end of Fiscal Year 2014, including a description of all outstanding revenue bonds.

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

Sincerely,

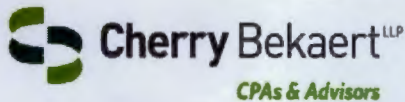
A handwritten signature in black ink, appearing to read "W. Spivey, Jr.", is written over a white background.

William F. Spivey, Jr.
Executive Director

RECEIVED
COUNTY CLERK
PINELLAS COUNTY FLORIDA

2015 OCT 27 AM 9:49

RECEIVED
COUNTY CLERK
ORLANDO FLORIDA



October 5, 2015

To the Members of the Board of Directors
Florida Development Finance Corporation
Orlando, Florida

Dear Members:

We have audited the basic financial statements of Florida Development Finance Corporation ("FDFC") for the year ended June 30, 2015, and have issued our report thereon dated October 5, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated January 6, 2015. Professional standards also require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies adopted and the application of existing policies was not changed during fiscal year ended June 30, 2015. We noted no transactions entered into by FDFC during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 5, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to FDFC's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as FDFC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on Management's Discussion and Analysis which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of FDFC and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Cheryl Behrman



**FLORIDA DEVELOPMENT
FINANCE CORPORATION**

FINANCIAL STATEMENTS

For the Year Ended June 30, 2015

And Report of Independent Auditor

FLORIDA DEVELOPMENT FINANCE CORPORATION
TABLE OF CONTENTS

	Page
REPORT OF INDEPENDENT AUDITOR	1 – 2
MANAGEMENT’S DISCUSSION AND ANALYSIS	3 – 6
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	8
Statement of Cash Flows	9
Notes to Financial Statements	10 – 14
SUPPLEMENTARY REPORT OF INDEPENDENT AUDITOR	
Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15 – 16

Report of Independent Auditor

To the Board of Directors,
Florida Development Finance Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Development Finance Corporation ("FDFC") as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise FDFC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Development Finance Corporation as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2015 on our consideration of FDFC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FDFC's internal control over financial reporting and compliance.



Orlando, Florida
October 5, 2015

FLORIDA DEVELOPMENT FINANCE CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

This discussion and analysis of Florida Development Finance Corporation's (FDFC) financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the report of independent auditor and the basic financial statements.

Financial Highlights

FDFC facilitated the authorization and issuance of \$222,460,000 in six (6) new money bonds and one (1) refunding bond for the fiscal year ending June 30, 2015. It received application and issuance fees of \$552,268. In the past, FDFC primarily issued bonds for small manufacturers, but over time, it has served a variety of 501(c)3 not-for-profit institutions, including health-care, educational and foundations. In FY14-15, FDFC served a private school, several charter schools, a public radio station group and a senior living facility. Current and pending applications include projects such as charter schools, surface transportation, senior living, non-tax credit Section 8 affordable housing and taxable bonds related to Property-Assessed Clean Energy ("PACE") financings. Even though the Fed Funds rate is projected to slowly increase by 4Q 2015, a relatively low interest rate environment in the private activity bond market is expected to continue through FDFC's fiscal year ending June 2016.

Overview of the Financial Statements

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

Required Basic Financial Statements

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

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

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

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

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

JUNE 30, 2015

Financial Analysis

Net Position

Net position may serve over time as a useful indicator of FDFC's financial position. FDFC's assets exceeded liabilities by \$1,223,822, representing an increase in net position for the year of \$194,838. The largest portion of FDFC's net position reflects cash received from bond issuance fees.

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

	Fiscal Year 2015	Fiscal Year 2014	Dollar Change
Assets			
Cash and cash equivalents	\$ 1,242	\$ 1,039	\$ 203
Prepaid expenses	2	2	-
Total assets	<u>1,244</u>	<u>1,041</u>	<u>203</u>
Liabilities			
Liabilities:			
Accounts Payable	20	12	8
Total liabilities	<u>20</u>	<u>12</u>	<u>8</u>
Net Position			
Unrestricted	1,224	1,029	195
Total net position	<u>\$ 1,224</u>	<u>\$ 1,029</u>	<u>\$ 195</u>

Total assets increased in fiscal 2015 primarily due to the receipt of issuance fees on newly issued conduit debt. Total liabilities remained relatively the same for accounts payable.

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

JUNE 30, 2015

Net Position (continued)

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

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

	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>	<u>Dollar Change</u>
Revenues:			
Fees	\$ 552	\$ 304	\$ 248
Interest income	1	1	-
Total revenues	<u>553</u>	<u>305</u>	<u>248</u>
Expenses:			
General and administrative	74	10	64
Professional fees	<u>284</u>	<u>107</u>	<u>177</u>
Total expenses	<u>358</u>	<u>117</u>	<u>241</u>
Change in Net Position	195	188	7
Net Position, beginning of year	<u>1,029</u>	<u>841</u>	<u>188</u>
Net Position, end of year	<u>\$ 1,224</u>	<u>\$ 1,029</u>	<u>\$ 195</u>

As can be seen in Table A-2 above, the increase in operating revenue resulted directly from an increase in issuance fees related to significantly more new bond issuances as compared to the prior year. The increase in operating expenses is due primarily to an increase in professional fees associated with bond issuance and the establishing of a statewide PACE revenue bond program as legislatively provided in Florida Statute §288.9606(7)(a).

FLORIDA DEVELOPMENT FINANCE CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

Economic Factors

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

FDFC's revenues are generated by fees charged for issuance of bonds, and the volume of bond issuance is directly impacted by general economic conditions.

Requests for Information

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

Bill Spivey
Executive Director
800 North Magnolia Avenue, Suite 1100
Orlando, Florida 32803

BASIC FINANCIAL STATEMENTS

FLORIDA DEVELOPMENT FINANCE CORPORATION
STATEMENT OF NET POSITION

JUNE 30, 2015

ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 1,241,923
Prepaid expenses	<u>2,061</u>
Total Current Assets	<u>1,243,984</u>
Total Assets	<u>1,243,984</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	<u>20,162</u>
Total Current Liabilities	<u>20,162</u>
Total Liabilities	<u>20,162</u>
NET POSITION	
Unrestricted	<u>1,223,822</u>
Total Net Position	<u>\$ 1,223,822</u>

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

YEAR ENDED JUNE 30, 2015

Revenues:		
Fees		\$ 552,268
Interest		963
Total Revenues		<u>553,231</u>
Expenses:		
Professional fees		284,059
Miscellaneous		74,334
Total Expenses		<u>358,393</u>
Increase in Net Position		194,838
Net Position, Beginning of Year		<u>1,028,984</u>
Net Position, End of Year		<u>\$ 1,223,822</u>

FLORIDA DEVELOPMENT FINANCE CORPORATION
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

Cash Flows From Operating Activities:	
Receipts from fees	\$ 552,268
Payments to service providers	(350,254)
Interest received	963
Net Cash Provided by Operating Activities	<u>202,977</u>
Net Increase in Cash and Cash Equivalents	202,977
Cash and Cash Equivalents, Beginning of Year	<u>1,038,946</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,241,923</u>
Reconciliation of Increase in Net Position to Net Cash	
Provided by Operating Activities:	
Increase in net position	\$ 194,838
Adjustments to reconcile increase in net position	
to net cash provided by operating activities:	
Changes in:	
Prepaid expenses	(135)
Accounts payable	8,274
Net Cash Provided by Operating Activities	<u>\$ 202,977</u>

FLORIDA DEVELOPMENT FINANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 1 – Summary of Significant Accounting Policies

A. Reporting Entity

Florida Development Finance Corporation ("FDFC") is an independent entity constituted as a public instrumentality of local government, created to facilitate economic development in Florida by working in partnership with the Florida financial services industry and local development organizations to create access to competitive sources of finance for creditworthy borrowers and other firms contributing to job creation and the economic base of Florida. FDFC's bond programs can provide tax exempt and taxable financing to many types of businesses under state and federal regulations. This includes financing through private activity bonds for small, creditworthy manufacturers and 501(c)(3) not-for-profit corporations.

FDFC is specifically formed pursuant to Florida Statutes, Chapter 288, Part X and all acts supplemental thereto and amendatory thereof.

FDFC is governed by a five member board of directors, appointed by the Governor subject to confirmation of the Senate. Each board member serves a term of four years.

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

B. Measurement Focus and Basis of Accounting

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

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

C. Administration

FDFC is managed by the staff of Enterprise Florida, Inc. ("EFI"), a not-for-profit organization formed under Florida Statutes, Chapter 288, as a public-private partnership responsible for leading Florida's economic development.

FLORIDA DEVELOPMENT FINANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position

(1) Deposits and Investments

(a) Cash and Cash Equivalents

Highly liquid financial instruments with an original maturity of three months or less at the time they are purchased by FDFC are considered to be cash equivalents.

FDFC places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts. From time to time, FDFC may have amounts on deposit in excess of the insured limits. As of June 30, 2015, FDFC had \$991,923 on deposit in excess of these insured amounts. Management believes the associated risk is minimized by placing such assets with qualified public depositories. FDFC has not experienced any losses on such accounts.

(b) Investments

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

(2) Fees

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

E. Use of Estimates

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

F. Income Taxes

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

FLORIDA DEVELOPMENT FINANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 2 - Deposits and Investments

A. Deposits consist of the following at June 30, 2015:

	<u>Unrestricted</u>
Demand deposits	<u>\$ 1,241,923</u>
	<u><u>\$ 1,241,923</u></u>

Note 3 - Conduit Debt

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

Additionally, FDFC has assigned all rights to receive payments from the borrowers to the bond purchaser in all bond financing transactions, or assign all rights to receive payments to a financial institution providing an irrevocable letter of credit which secures bondholders in typical credit enhanced transactions. Assigned payments are not included in the accompanying basic financial statements.

FLORIDA DEVELOPMENT FINANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 3 - Conduit Debt (continued)

Changes in conduit debt outstanding for the year ended June 30, 2015 are as follows:

	Balance at June 30, 2014	Additions	Reductions	Balance at June 30, 2015
1999 Series B5 Composite Investor, LLC	\$ 380,000	\$ -	\$ 60,000	\$ 320,000
2000 Series A2 R.L. Smith Investments, LLC	790,000	-	120,000	670,000
2000 Series B2 through Series B3	830,000	-	120,000	710,000
2001 Series A1 Plastic Components, Inc.	400,000	-	50,000	350,000
2001 Series B2 MLMJC, Inc.	300,000	-	150,000	150,000
2001 Series C1 through Series C2	725,000	-	455,000	270,000
2002 Series B3 Air Technology Holdings, LLC	2,000,000	-	-	2,000,000
2002 Series C1 and Series C4	1,010,000	-	130,000	880,000
2005 Series A1 through Series A2	1,180,000	-	-	1,180,000
2006 Series A1 Florida Food Products, Inc.	1,950,000	-	250,000	1,700,000
2006 Series A Palm Bay Academy	5,130,000	-	-	5,130,000
2006 Series B Palm Bay Academy	550,000	-	-	550,000
2007 Series A Learning Gate	6,555,000	-	-	6,555,000
2007 Series A Palm Bay Academy	5,565,000	-	-	5,565,000
2007 Series B Learning Gate	340,000	-	125,000	215,000
2007 Series B Palm Bay Academy	535,000	-	-	535,000
2007 Series Maronda Homes of Florida	5,472,040	-	2,001,293	3,470,747
2008 Series Direct Placement SE Printing & St. Thomas Aquinas	1,379,272	-	1,237,658	141,614
2008 Series A Sculptor Charter School	4,710,000	-	15,000	4,695,000
2008 Series B Sculptor Charter School	50,000	-	50,000	-
2009 Series Center Court Properties, Inc.	1,825,000	-	75,000	1,750,000
2009 Series Airport Properties Partners, LLC	11,815,000	-	130,000	11,685,000
2010 Series DT Leasing, LLC	2,611,619	-	93,760	2,517,859
2010 Series Lake Eola Charter Schools Foundation, Inc.	1,757,127	-	66,750	1,690,377
2010 Series A Renaissance Charter Schools, Inc.	56,800,000	-	345,000	56,455,000
2010 Series B Renaissance Charter Schools, Inc.	10,215,000	-	590,000	9,625,000
2011 Series A Renaissance Charter Schools, Inc.	86,055,000	-	775,000	85,280,000
2011 Series B Renaissance Charter Schools, Inc.	2,225,000	-	260,000	1,965,000
2011 Series A and Series B Atlantic Pro-Nutrients	9,270,000	-	360,000	8,910,000
2011 Series A and Series B Bay Area Charter Foundation	37,665,000	-	675,000	36,990,000
2012 Series Sculptor Charter School	720,000	-	-	720,000
2012 Series A and Series B Montverde Academy	5,670,000	-	315,000	5,355,000
2012 Series Classical South Florida	4,085,000	-	4,085,000	-
2012 Series A&B Renaissance Charter School, Inc.	58,520,000	-	705,000	57,815,000
2013 Series A&B Out of Door Academy, Inc.	19,000,000	-	-	19,000,000
2013 Series A&B Renaissance Charter School, Inc.	80,525,000	-	450,000	80,075,000
2013 Series A UF Health-Jacksonville	64,240,000	-	-	64,240,000
2013 Series B UF Health-Jacksonville	59,405,000	-	2,865,000	56,540,000
2014 Series A Earnest Products, Inc.	2,325,000	-	-	2,325,000
2014 Series B Earnest Products, Inc.	4,500,000	-	286,690	4,213,310
2014 Series A Miamit Arts, Inc.	-	30,000,000	-	30,000,000
2014 Series A&B Renaissance Charter Schools, Inc	-	53,175,000	-	53,175,000
2014 Series A Downtown Doral Charter School, Inc	-	21,505,000	-	21,505,000
2014 Series B Downtown Doral Charter School, Inc	-	320,000	-	320,000
2014 Series A FL Charter Educational Foundation, Inc	-	13,400,000	-	13,400,000
2014 Series B FL Charter Educational Foundation, Inc	-	1,230,000	-	1,230,000
2014 Series A American Public Media Froup	-	19,785,000	-	19,785,000
2014 Series B Classical South Florida	-	9,465,000	-	9,465,000
2015 Series A Tuscan Isle Property, LLC	-	41,850,000	-	41,850,000
2015 Series B Tuscan Isle Property, LLC	-	1,730,000	-	1,730,000
2015 Series A&B Divine Savior Lutheran Academy	-	30,000,000	484,904	29,515,096
	<u>\$ 559,080,058</u>	<u>\$ 222,460,000</u>	<u>\$ 17,326,055</u>	<u>\$ 764,214,003</u>

FLORIDA DEVELOPMENT FINANCE CORPORATION
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

Note 3 - Conduit Debt (continued)

FDFC recognized \$552,268 of issuance revenue in the fiscal year ended June 30, 2015. FDFC facilitated the authorization and issuance of \$193,210,000 of new bonds and \$29,250,000 of refunding bonds in the current fiscal year.

Note 4 - Related Party Transactions

FDFC enters into bond financing transactions on behalf of borrowers with various financial institutions who have been approved by FDFC's Board of Directors. Certain Board members are affiliated with these financial institutions, which issue letters of credit that secure payment of the bonds. It is management's opinion that these transactions have been conducted at arm's length.

EFI provides certain administrative services on behalf of FDFC. During the year ended June 30, 2015, EFI charged FDFC \$50,000 for the provision of these services.

**SUPPLEMENTARY REPORT OF
INDEPENDENT AUDITOR**

**Report of Independent Auditor on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards***

To the Board of Directors,
Florida Development Finance Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Development Finance Corporation ("FDFC") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise FDFC's basic financial statements and have issued our report thereon dated October 5, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether FDFC's basic 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 determination of financial statement amounts. 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

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

A handwritten signature in black ink that reads "Cheryl Behrman" followed by a stylized flourish.

Orlando, Florida
October 5, 2015