

June 27, 2016

Mr. David Brandt, Executive Director
Housing Finance Authority of
Palm Beach County, Florida
West Palm Beach, Florida

We are pleased to confirm our understanding of the services we are to provide for the Housing Finance Authority of Palm Beach County, Florida for the years ended September 30, 2016, 2017 and 2018.

We will prepare, from information provided by the financial institutions acting as trustees for the various bond programs (the name and periods as outlined in the attached schedule of Programs of the Authority), the annual statements of net assets and the related statements of revenues, expenses and changes in net assets, and cash flows of the single family and multi-family mortgage revenue bonds and the general fund, as outlined in the attached schedule of Programs of the Authority (comparative for the single family programs), and perform a compilation engagement with respect to those financial statements. The supplementary information accompanying the compiled financial statements will be presented for purposes of additional analysis. The supplementary information will be compiled from information that is the representation of management. We will not audit or review the supplementary information. We will not express an opinion, a conclusion, or provide any assurance on such supplementary information.

Our Responsibilities

The objective of our engagement is to:

1. Prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you, and
2. Apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and the standards set forth in Section 3.3 of that certain request for proposal for accounting services issued by the Authority on May 11, 2009, as amended (the "RFP"), and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the bookkeeping services, preparing the financial statements, and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our compilation procedures regarding any wrongdoing within the entity or noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America and assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America, if applicable.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
4. The prevention and detection of fraud.
5. To ensure that the Authority complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.

7. To provide us with:

- Access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
- Additional information that we may request from you for the purpose of the compilation engagement.
- Unrestricted access to persons within the Authority of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our bookkeeping services, the preparation of your financial statements, and payroll tax return preparation, and any other services we provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement. We are not independent with respect to the Housing Finance Authority of Palm Beach County, Florida. We will disclose that we are not independent in our compilation report.

This report is intended solely for the information and use of Caler, Donten, Levine, Cohen, Porter & Veil, PA and is not intended to be, and should not be, used by anyone other than this specified party.

Other Relevant Information

Frederick S. Weinstein is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We will perform the following:

1. Analyze and record all transactions reported by the trustees for the single and multi-family bond programs and custodian for the general fund and propose standard, adjusting or correcting entries.
2. Maintain detailed general ledgers and related accounting records for each bond program and the general fund.

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3. Assist in preparing Management's Discussion and Analysis (MD & A).
4. Preparation of quarterly payroll tax returns, annual payroll tax returns and Forms W-2 and W-3.

In order to facilitate the work of your independent auditors, we will prepare the following schedules for each bond program to assist the Authority's auditors in the performance of their audit procedures:

1. Prepare preliminary trial balances by fund.
2. Prepare lead schedules for cash and investments by fund and investment type.
3. Prepare a detailed listing of transactions by type:

- Interest on investments
- Purchases of investments
- Sale of investments
- Transfers between funds by type
- Expenditures by type
- Schedule of principal payments and mandatory redemptions on the bonds
- Interest payments on the bonds

4. Prepare a schedule of capitalized interest and/or accreted values of Capital Appreciation Bonds.

Our fee for the years ending September 30, 2016, 2017 and 2018 will not exceed \$44,000 for the general fund and 20 bond issues, as set forth in the fee schedules for the general fund, multi-family bond issues and single family bond issues attached hereto as Exhibit A and incorporated by reference herein.

For the multi-family issues, the Authority reserves the right to direct us to not perform such engagements, and no payment shall be due in respect thereto by giving us notice to such effect prior to December 31st of each year. (For example, prior to December 31, 2015, notice for September 30, 2016 engagements.)

If single family or multi-family issues are added or subtracted during this engagement period, the fees will be adjusted by \$5,500 and \$1,600, respectively.

Upon the approval of the Authority, any additional engagements will be charged at a fee of \$110 per hour.

Any follow-up services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new engagement letter for that service.

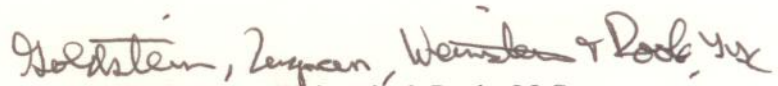
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We understand timeliness is critical in the performance of the accounting services. The respective engagements will be delivered to the auditors within ninety days subsequent to the end of the reporting period. This is based upon maximum cooperation from the auditors, the mortgage servicer(s) and administrators, the trustee(s), the Authority, and any other party that is involved in our performing the procedures related to this engagement letter and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new adjusted fee.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely yours,


Goldstein, Zugman, Weinstein & Poole, LLC

Acknowledge:

Housing Finance Authority of
Palm Beach County, Florida

Chairman

Date

PROGRAM OF THE AUTHORITY

<u>PROGRAM</u>	<u>FISCAL YEAR END</u>
Multi-Family Mortgage Bonds	
1999 A Riverview House	9-30-16
1999 A Azalea Place (Remarketed)	9-30-16
1999 A/B Lake Delray	9-30-16
2001 A/B Mallards Landing	9-30-16
2001 A Colony Park	9-30-16
2002 Westlake Phase II	9-30-16
2003 A/B Malibu Bay	9-30-16
2003 A/B Renaissance Apts.	9-30-16
2006 A Green Cay Village RSG	9-30-16
2007 Palm Gardens Apartments Project	9-30-16
2007 A La Costa Apartments	9-30-16
2011 Westgate Plaza Apts.	9-30-16
2011 Colonial Lakes	9-30-16
2012 Pinnacle Palms	9-30-16
2012 Pine Run Villas	9-30-16
2013 Palms West	9-30-16
2013 Woodlake	9-30-16
2013 La Joya	9-30-16
2014 Village Square	9-30-16
2015 Paul Laurence Dunbar Senior	9-30-16
General Fund	9-30-16

EXHIBIT A