

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

**REPORT ON AUDIT OF BASIC FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION AND SINGLE AUDIT**

FOR THE YEAR ENDED SEPTEMBER 30, 2016



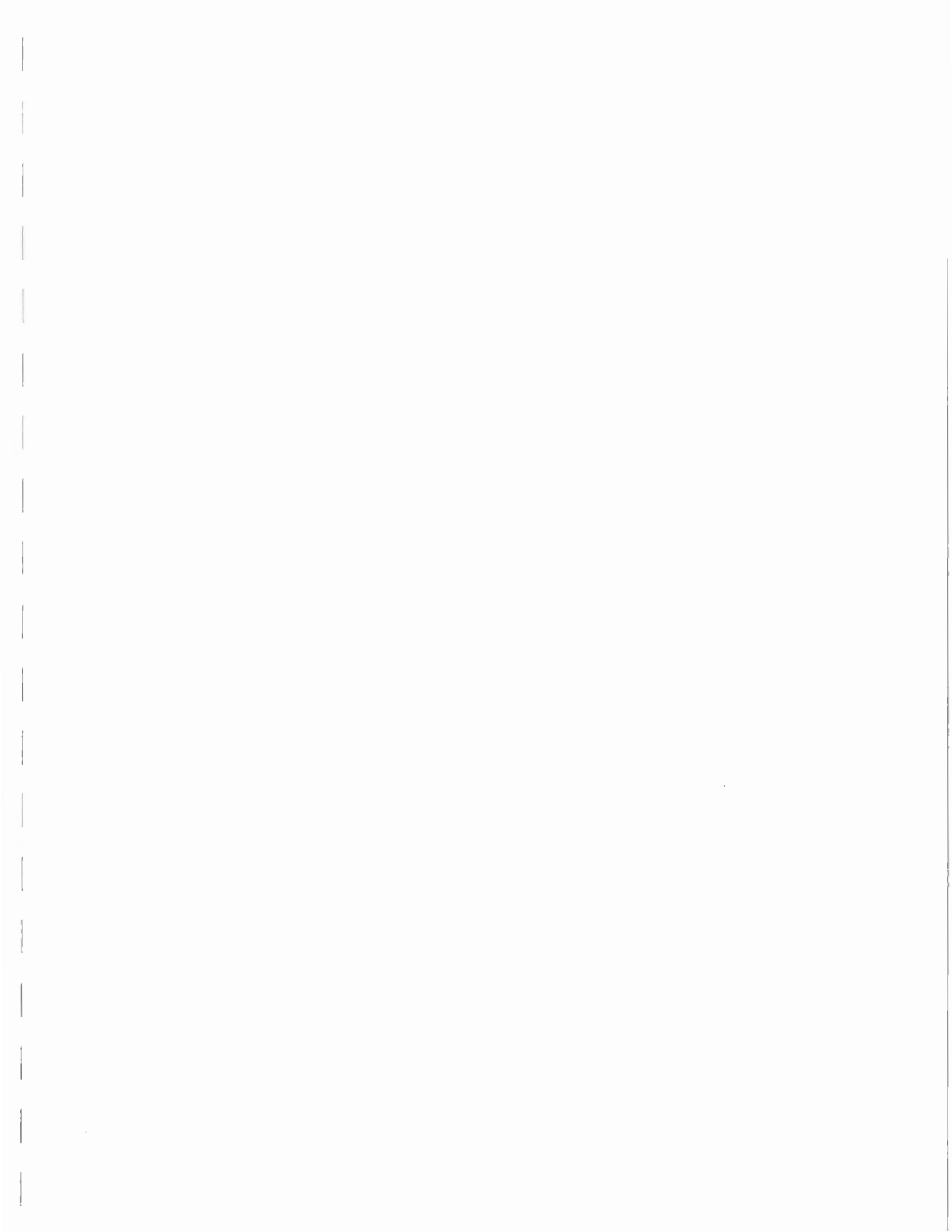




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MALCOLM JOHNSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 530848
210 N. Highway 17-92
DeBary, Florida 32753-0848

Phone (386) 668-6464 Fax (386) 668-6463
malcolmjohnson@mpinet.net

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Manatee County Housing Authority
Bradenton, Florida

HUD, Miami Area Office
Office of Public Housing
909 S.E. First Avenue, Room 500
Miami, Florida 33131

Report on the Financial Statements

We have audited the accompanying financial statements of the Manatee County Housing Authority ("the Authority") which include the Statement of Net Position as of September 30, 2016, and the related Statements of Revenues, Expenses and Changes in Net Position, Cash Flows For The Year Then Ended, and the related Notes to the Financial Statements which collectively comprise the Authority's Basic Financial Statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Basic 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 basic 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 basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the Basic Financial Statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting Principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i-xi 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), the Financial Data Schedule, and the other supplemental information as listed in the table of contents 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information referred to above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 23, 2017 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 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 the Authority's internal control over financial reporting and compliance.



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
June 23, 2017



MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

The Manatee County Housing Authority ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

Financial Highlights

- The Authority decreased its net investment in capital assets by \$111,513 during the year due to an increase in accumulated depreciation and the disposition of assets. The Authority continues to work to increase the housing opportunities for low to moderate income residents of the County of Manatee through a myriad of programs and housing opportunities.
- The Authority's total assets increased by \$198,366 (3.51%) during 2016. The increase was primarily due to an increase in accounts receivable and deferred outflow of resources.
- The housing authority has no capital debt.
- The total revenues increased by \$251,621 or 2.22% during 2016. An increase in HUD subsidy in the Public Housing Program, and for HAP payments in the Housing Choice Voucher Program primarily caused the net increase. See the Comparable Data and Explanations section for explanations for the additional detailed changes.
- The total expenses for all Authority programs increased by \$64,602 or .56%. The main drivers for the increases are Housing Choice Voucher (HCVP), housing assistance payments (HAP) and administrative expenses. See the Comparable Date and Explanations section for explanations for the additional detailed changes.
- The total Public Housing units available for lease are 77 units with an average units leased of 76 units. The total unit months available for lease under the Authority's Public Housing stock portfolio are 924.
- The total Housing Choice Voucher units available are 1,276 with an average units leased of 1,121 per month.
- The Authority's financial ratio are as follows;

Current Ratio – 28.14 to 1

Quick Ratio – 25.14 to 1

The Department of Housing and Urban Development (HUD) rates each Authority under the Public Housing Assessment System (PHAS). The Authority received the high performer designation for fiscal year ending September 30, 2016 as well as the prior four fiscal years.

- The Department of Housing and Urban Development (HUD) also rates each Authority under the Section Eight Management Assessment Program (SEMAP). The Authority received the high performer designation for the fiscal year ended September 30, 2016 as well as the prior two fiscal years.

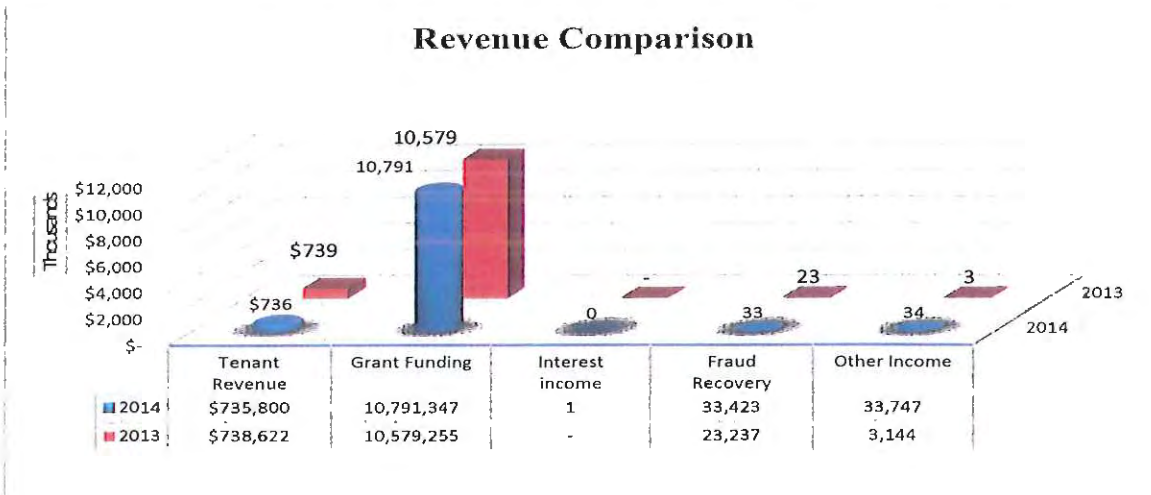
MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016
(Continued)

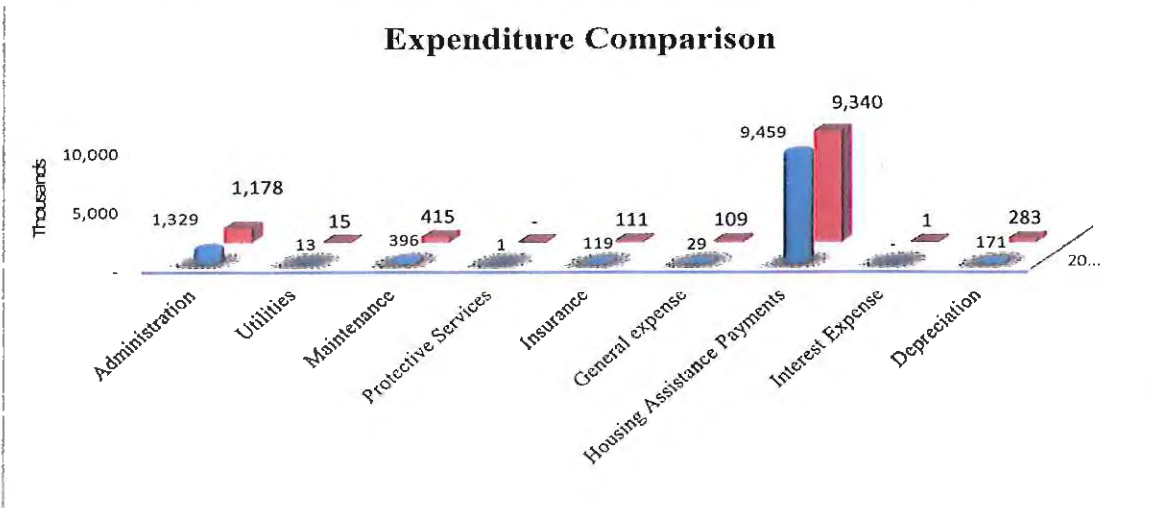
Charts and Analysis

The following charts give us a conceptual view of the changes between revenues and changes between expenditures from fiscal year 2016 and 2015.

The Revenue Comparison chart gives us a visual of the Authority's revenue type changes by year.



The Expenditures Comparison chart gives us a visual of the Authority's expense type changes by year.



MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016
(Continued)

Authority-Wide Financial Statements

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplementary information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance.

The financial statements report information about the Authority by using full accrual accounting methods as utilized by similar business activities in the private sector. In management's opinion, the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Authority in conformity with generally accepted accounting principles.

The Authority is engaged only in "Business-Type Activities" and is considered a "Special Purpose" government under Paragraph 138 of GASB 34. The Authority will present its financial statements according to Paragraph 138 of GASB 34 and will consist of the following: (a) Statement of Net Position (b) Statement of Revenues, Expenses and Changes in Net Position (income statement), and (c) Statement of Cash Flows. In addition to the basic financial statements, the Authority will present notes to the financial statements and required supplementary information.

The **Statement of Net Position** presents information on all of the Authority's assets and liabilities, with the difference between the two as Net Position. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-Current". Over time, increases and decreases in Net Position serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The **Statement of Revenues, Expenses, and Changes in Net Position** (income statement) presents the results of the business activities of the Authority over the course of the fiscal year. The focus of this statement is the "Change in Net Position", which is similar to Net Income or Loss. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The **Statement of Cash Flows** presents changes in cash and cash equivalents, resulting from operating, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The **Notes to the Financial Statements** provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any. Also, included is the required **Supplemental Information** containing items such as budget to actual comparisons, debt information, and grant activity.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016
(Continued)

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than fund types. The Authority consists of exclusively Enterprise Funds. Enterprise Funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector.

Many of the funds maintained by the Authority are required by the Department of Housing and Urban Development (HUD). Others are segregated to enhance accountability and control.

Business Type Funds

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operation Subsidy and Capital Grant funding to enable the Authority to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Business Activities – Under the Business Activities program the following programs make up this group;

NoSo Villages - NoSo Villages consist of two twenty-two-unit projects purchased by the Authority in November 1990 and of two duplexes purchased in 2004. The projects are intended to provide affordable housing to low-income residents of Manatee County.

Manatee Villas - Manatee Villas consists of forty single family dwellings constructed in 1994 for rent and eventual resale to low-income families. As of September 30, 2012, thirty-two units have been transferred. Eight units remain in possession of Manatee County Housing Authority as depreciable fixed assets.

Other Non-major Funds - In addition to the major funds above, the Authority also maintains the following non-major funds;

- Resident Opportunities and Supportive Services

Capital Fund Program - a grant program funded by the Department of Housing and Urban Development that is to be used primarily for modernization of public housing units and management improvements. The Authority received Stimulus Grant and Competitive Grant which is treated similarly as the CFP program and provided the Authority with funds to develop new housing as well as improve specific portions of the current Public Housing stock.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016
(Continued)

Comparable Data and Explanations

Table I reflects the Statement of Net Position in condensed form for the current and prior fiscal years. The table shows an increase in net position during 2016 in the amount of \$78,579 (1.69%) primarily due to an increase in housing assistance (HAP), fraud recovery, and other income.

Current assets increased by \$89,060 (5.37%) due to the decrease in accounts receivables due the housing authority.

Capital assets decreased by \$111,513 (2.90%), due to depreciation expense.

Current liabilities decreased by \$173,162 (73.62%) due to decreases in accounts payable and current portion of accrued compensated absences. Accrued wages and terminal leave are based on utilization.

Noncurrent liabilities increased by \$292,949 (38.57%) due to accrued pension and OPEB liabilities required to be in compliance with GASB 68. In FYE 9/30/2015, the accounting industry imposed GASB 68 requiring that all entities (nation-wide) who have defined benefit pension plans to record a pension plan liability based on the actuarial obligation determined by the State of Florida's Florida Retirement System (FRS). All housing authorities participating in the Florida Retirement System (FRS) are affected by this change.

Net Investment in Capital Assets decreased by \$111,513 (2.90%), due to depreciation expense.

Restricted Net Position increased by \$174,584 (727.43%) mainly due to restricted cash in the business activities and HAP subsidy received during the fiscal year.

Unrestricted Net Position increased by \$15,508 (1.95%) due to the increase in total revenues exceeding the increase in total expenses for the fiscal year.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016
(Continued)

Comparable Data and Explanations (Continued)

<u>Account Descriptions</u>	<u>2016</u>	<u>2015</u>	<u>Total Change</u>	<u>% Change</u>
Assets & Deferred Outflow of Resources:				
Cash & cash equivalents, unrestricted	\$ 1,333,888	\$ 1,449,360	\$ (115,472)	-7.97%
Cash & cash equivalents, restricted	225,884	51,675	174,209	337.12%
Accounts receivable, net of allowance	151,956	114,839	37,117	32.32%
Prepaid items	33,869	40,663	(6,794)	-16.71%
Notes, loans, & mortgages receivable, noncurrent	38,000	38,000	-	0.00%
Capital assets not being depreciated	1,274,927	1,194,927	80,000	6.69%
Capital assets, net of depreciation	2,457,733	2,649,246	(191,513)	-7.23%
Other non current assets	7,850	7,850	-	0.00%
Deferred Outflow of Resources	331,403	110,584	220,819	199.68%
Total Assets & Deferred Outflows of Resources	5,855,510	5,657,144	198,366	3.51%
Liabilities:				
Vendors & contractors payable	5,327	24,323	(18,996)	-78.10%
Accrued wages/ taxes payable	15,433	11,727	3,706	31.60%
Accrued compensated absences- current	11,012	168,765	(157,753)	-93.47%
Unearned revenue	2,968	2,712	256	9.44%
Tenant security deposits	27,300	27,675	(375)	-1.36%
Accrued Compensated absences- noncurrent	99,111	81,084	18,027	22.23%
Accrued pension/ OPEB liability	896,477	581,788	314,689	54.09%
Accrued liabilities- other non current	26,868	2,681	24,187	902.16%
Deferred Inflow of Resources	29,899	93,853	(63,954)	-68.14%
Total Liabilities & Deferred Inflow of Resources	1,114,395	994,608	119,787	12.04%
Net Investment in Capital Assets	3,732,660	3,844,173	(111,513)	-2.90%
Restricted Net Position	198,584	24,000	174,584	727.43%
Unrestricted Net Position	809,871	794,363	15,508	1.95%
Total Net Position	4,741,115	4,662,536	78,579	1.69%
Total Liabilities & Net Position	\$ 5,855,510	\$ 5,657,144	\$ 198,366	3.51%

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016
(Continued)

Comparable Data and Explanations (Continued)

Table II below presents the Statement of Revenues, Expenses and Change in Net Position in condensed form. Grant Revenues from the capital fund are recorded as earned when the funds are expended.

<u>Account Descriptions</u>	<u>2016</u>	<u>2015</u>	<u>Total Change</u>	<u>% Change</u>
Tenant Revenue	\$ 735,800	\$ 738,622	\$ (2,822)	-0.38%
Grant Funding	10,791,347	10,579,255	212,092	2.00%
Interest income	1	-	1	100.00%
Fraud Recovery	33,423	23,237	10,186	43.84%
Other Income	33,747	3,144	30,603	973.38%
Gain on sale of capital assets	1,561	-	1,561	100.00%
Total Revenue	11,595,879	11,344,258	251,621	2.22%
Administration	1,328,787	1,178,220	150,567	12.78%
Utilities	13,481	15,005	(1,524)	-10.16%
Maintenance	395,647	415,297	(19,650)	-4.73%
Protective Services	628	-	628	100.00%
Insurance	118,975	110,596	8,379	7.58%
General expense	29,492	108,969	(79,477)	-72.94%
Housing Assistance Payments	9,458,893	9,340,456	118,437	1.27%
Interest Expense	-	1,050	(1,050)	-100.00%
Depreciation	171,397	283,105	(111,708)	-39.46%
Total Expenses	11,517,300	11,452,698	64,602	0.56%
Change in Net Position	78,579	(108,440)	187,019	-172.46%
Prior Period Adjustments	-	(546,676)	546,676	---
Beginning Net Position	4,662,536	5,317,652	(655,116)	-12.32%
Ending Net Position	\$ 4,741,115	\$ 4,662,536	\$ 78,579	1.69%

Overall revenues increased by \$251,621 or 2.22% from the prior fiscal year. This is mostly due to an increase in HUD funding but is further explained as follows:

Tenant revenue decreased by \$2,822 or .38% (less than 1%). The nominal decrease was due to the slight decrease in public housing tenant income which is directly proportionate to rent charged. The Authority has continued to work to expand their non-federal housing stock portfolio and investment in the local community not for profit organizations to expand housing opportunities for the residents in the Manatee County community. The Authority is working on additional developments to increase the housing stock portfolio to meet the changing needs of the low to moderate income citizens of Bradenton. HUD funding in the Housing Voucher Program increased by \$354,003. This was due to the higher utilization of vouchers in the current fiscal year. HUD operating funding increased by a nominal \$11,223.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016
(Continued)

Comparable Data and Explanations (Continued)

Table III below, HUD Funding Comparative graphically compares revenue sources for the current and prior years. As shown in the table, Public Housing funding increased slightly by \$11,223. Housing Choice Voucher funding increased by \$354,003. ROSS grant funding (combined with ROSS FSS funding) decreased by \$50,874. There was no CDBG funding this fiscal year. See Table III below for specific program by year comparisons.

<u>Year</u>	<u>Public Housing</u>	<u>CFP</u>	<u>Vouchers</u>	<u>CDBG</u>
2016	\$ 205,157	\$ -	\$ 10,480,220	\$ -
2015	\$ 193,934	\$ 102,260	\$ 10,126,217	\$ -
Net Change	\$ 11,223	\$ (102,260)	\$ 354,003	\$ -
% Change	5.79%	100.00%	3.50%	100.00%

<u>Year</u>	<u>Ross</u>	<u>Ross-FSS</u>	<u>Totals</u>
2016	\$ 105,970	\$ -	\$ 10,791,347
2015	\$ 77,674	\$ 79,170	\$ 10,579,255
Net Change	\$ 28,296	\$ (79,170)	\$ 212,092
% Change	36.43%	-100.00%	2.00%

Referring back to Table II, other income increased by \$30,603.

Utility expenses decreased a nominal \$1,524. The decrease was due minimal reductions in utility consumption.

Maintenance expenses decreased from \$415,297 to \$395,647.

Insurance expenses increased \$8,379 or 7.58%.

General expenses decreased from \$108,969 or a decrease of \$79,477 or 72.94% primarily due to expenses related to portable vouchers administered in the Housing Voucher Program and compensated absences.

Housing Assistance Payments (HAP) increased by \$118,437 or 1.27% due to an increase in voucher utilization.

Interest expense is now \$0 due to the pay off of debt in business activities.

Depreciation expense decreased by \$111,708.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016
(Continued)

Comparable Data and Explanations (Continued)

Table IV reflects the changes in capital assets in the fiscal year ended September 30, 2016. The decrease in the capital asset balance was due to a myriad of activities. The activities were as follows;

<u>Account Descriptions</u>	<u>2016</u>	<u>2015</u>	<u>Total Change</u>	<u>% Change</u>
Land	\$ 1,274,927	\$ 1,194,927	\$ 80,000	6.69%
Buildings & improvements	7,596,636	7,659,642	(63,006)	-0.82%
Equipment	374,450	341,984	32,466	9.49%
	<u>9,246,013</u>	<u>9,196,553</u>	<u>49,460</u>	<u>0.54%</u>
Accumulated Depreciation	(5,513,353)	(5,352,380)	(160,973)	3.01%
Total Capital Assets	<u>\$ 3,732,660</u>	<u>\$ 3,844,173</u>	<u>\$ (111,513)</u>	<u>-2.90%</u>

Capital Assets decreased by \$111,513 primarily due to depreciation expense.

There was \$32,466 in equipment purchases.

Total depreciation expense for the fiscal year was \$171,397. This was a decrease of \$111,708 from the prior year.

The Authority paid off the remaining in capital debt in fiscal year ended 2015. The Authority had no new issues of debt for capital projects.

Economic Factors and Events Affecting Operations

In fiscal Year 2016, Bradenton, like many other major cities, continue to be adversely impacted by the continuing weak national economy. Manatee County's unemployment rate at 9/30/2016 was 5.0% compared favorably to a rate of 4.7% in Florida and 4.9% nationally. The prior years' unemployment rate for the County of Manatee was 5.0%.¹

¹ <http://www.bradenton.com/2015/04/18/5109777/manatees-unemployment-rate-unchanged.html>

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016
(Continued)

Economic Factors and Events Affecting Operations (Continued)

As the Bradenton housing market is not immune from the ups and downs of the economy; nor is our residents and participants. Here are a few of the operational impacts the Authority anticipates having to manage in the coming year:

- Continued lack of success by Congress in passing a budget on time and instead using continuing resolutions throughout the year to fund the government has caused serious decreases in funding for federally funding programs. The Authority continues to work diligently in finding new resources to fund programs and reduce costs where available but the lack of Congressional appropriation acts has limited the security and ability of the Authority to properly plan future programs, modernization of existing stock and resident service program activities.
- The Authority continues to utilize their Business Activity reserves for various redevelopment projects and is focused on finding new business opportunities that work in concert with the overall goals of the Authority. The Authority is working to maximize the improvement of current housing stock to meet the needs of low to very low-income residents of the County of Manatee as well as get a return on their investment so the Authority is positioned to meet the changing economic environment as well as meet the needs of our customers.
- Vacancy rates in our programs remain very low.
- Tenant rent adjustments, as a result of unemployment/under-employment and the slow economic recovery, will impact the rent residents and Voucher holders can pay. This may require the Authority to divert unrestricted resources from other program areas or potentially reduce services.
- Many of our residents and Voucher holders rely on financial aid from the State or social services provided by governmental agencies. There have been and will likely continue to be service and revenue reductions that will impact both residents and the Authority's state and local funding sources.

These economic factors, including the expectation of continuing cost pressures and uncertain funding levels from the federal and state programs, were considered in preparing the Authority's 2015 budget.

- With approximately 93.26 percent of operating revenue tied directly to HUD and the often uncertainty in funding levels, sound planning decisions are often hampered. The Authority expects a slight increase in operating subsidy from HUD for the Public Housing and Housing Choice Voucher programs as well as cuts in Capital Fund funding for the Public Housing program. In addition the Stimulus grant programs are no longer funded by HUD.
- The tourism industry continues to provide the Bradenton area with lower than state and national average unemployment. Several large industrial and technical employers are considering moving to the Bradenton area. Florida as a whole is considered within the top states for being business and tourism which should continue to assist with the unemployment rate.

**MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016
(Continued)**

Conclusions

Overall, the Manatee County Housing Authority had a very good year financially. Its management is committed to staying abreast of regulations and appropriations as well as maintaining an ongoing analysis of all budgets and expenses to ensure that the Authority continues to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

This financial report is designed to provide our residents, the citizens of Bradenton, Florida, all federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may contact Willie Calhoun, Executive Director at (941) 756-3974 or by writing: Manatee County Housing Authority, 5631 11th Street East, Bradenton, Fl. 34203.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

ASSETS

Current assets

Cash and cash equivalents, unrestricted	\$ 1,333,888
Cash and cash equivalents, restricted	225,884
Accounts receivable, net of allowance	101,607
Due from other governments	50,349
Prepaid expense	33,869
Total current assets	1,745,597

Noncurrent assets

Other assets

Notes and mortgages receivable	38,000
Insurance deposit	7,850
Total other assets	45,850

Capital assets

Not being depreciated	1,274,927
Depreciable, net	2,457,733
Total capital assets, net	3,732,660

Total noncurrent assets

3,778,510

Total assets

5,524,107

Deferred Outflow of Resources

331,403

Total Assets and Deferred Outflow of Resources

5,855,510

LIABILITIES

Current liabilities

Vendors and contractors payable	5,327
Accrued wages/taxes payable	15,433
Accrued compensated absences	11,012
Unearned revenue	2,968
Resident security deposits	27,300
Total current liabilities	62,040

Noncurrent liabilities

Accrued compensated absences	99,111
Other accrued liabilities	923,345
Total noncurrent liabilities	1,022,456

Total liabilities

1,084,496

Deferred Inflow of Resources

29,899

Total Liabilities and Deferred Inflow of Resources

1,114,395

NET POSITION

Net investment in capital assets	3,732,660
Restricted	198,584
Unrestricted	809,871
Total net position	\$ 4,741,115

The accompanying notes are an integral part of these basic financial statements.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Operating revenues	
Rental revenue	\$ 713,138
HUD grants	10,791,347
Other revenue	56,409
Total operating revenues	<u>11,560,894</u>
Operating expenses	
Administrative	1,328,787
Utilities	13,481
Ordinary maintenance & operation	395,647
Protective services	628
Insurance	118,975
General expenses	29,492
Housing assistance payments	9,458,893
Depreciation	171,397
Total operating expenses	<u>11,517,300</u>
Operating income (loss)	<u>43,594</u>
Nonoperating revenues (expenses)	
Interest revenue, unrestricted	1
Fraud recovery	33,423
Gain/(loss) on disposition of capital assets	1,561
Total nonoperating revenues	<u>34,985</u>
Increase (decrease) in net position	78,579
Net position, beginning of year	<u>4,662,536</u>
Net position, end of year	<u><u>\$ 4,741,115</u></u>

The accompanying notes are an integral part of these basic financial statements.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Cash Flows From Operating Activities	
Receipts from dwelling rentals	\$ 735,212
Operating grants	10,774,928
Other receipts	12,548
Payments to employees and suppliers	(1,703,492)
Payments to landlords, residents and employee benefits	(9,702,137)
Net cash provided (used) by operating activities	<u>117,059</u>
 Cash Flows From Capital and Related Financing Activities	
Purchases of capital assets	(139,829)
Prior year adjustment to depreciation	81,505
Net cash provided (used) by capital and related financing activities	<u>(58,324)</u>
 Cash Flows From Investing Activities	
Interest	2
Net cash provided (used) by investing activities	<u>2</u>
 Net increase (decrease) in cash and cash equivalents	58,737
Balance - beginning of the year	<u>1,501,035</u>
Balance - end of the year	<u><u>\$ 1,559,772</u></u>
 Reconciliation of Cash Flows to Statement of Net Position	
Cash and cash equivalents, unrestricted	\$ 1,333,888
Cash and cash equivalents, restricted	225,884
	<u><u>\$ 1,559,772</u></u>

There are no non-cash transactions.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Continued)

Reconciliation of Net Operating Income (Loss) to
Net Cash Provided (Used) By Operating Activities

Operating income/(loss)	\$ 43,594
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:	
Depreciation elimination	171,397
Increase in accounts receivable	(20,698)
Increase in due to/from other governments	(16,419)
Decrease in prepaid expenses	6,794
Increase in deferred outflow of resources	(220,819)
Decrease in security deposits	(375)
Decrease in accounts payable	(18,996)
Increase in accrued wages	3,706
Decrease in accrued compensated absences	(157,753)
Increase in accrued liabilities	256
Increase in unearned revenue	356,903
Decrease in deferred inflow of resources	(63,954)
Other revenue and expense reported as nonoperating	33,423
	<u><u>\$ 117,059</u></u>

The accompanying notes are an integral part of these basic financial statements.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

A - Summary of Significant Accounting Policies and Organization:

1. **Organization:** Manatee County Housing Authority (“the Authority”) is a public body corporate and politic pursuant to Chapter 421 Laws of the State of Florida which was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD) and other federal agencies.
2. **Reporting Entity:** In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14, (amended) of the Governmental Accounting Standards Board: The Financial Reporting Entity*. 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 for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity has no component units.
3. **Summary of HUD and Other Authority Programs:** The accompanying basic financial statements consist of the activities of the housing programs subsidized by HUD and Authority owned entities. A summary of each of these programs is provided below.

a. Annual Contributions Contract A-3601

- 1) **Low Rent Public Housing:** This type of housing consists of apartments and single-family dwellings owned and operated by the Authority. Funding is provided by tenant rent payments and subsidies provided by HUD.
- 2) **Modernization and Development:** Substantially all additions to land, buildings, and equipment are accomplished through the Capital Fund Program. These programs add to, replace or materially upgrade deteriorated portions of the Authority's housing units. Funding is provided through programs established by HUD.

b. Annual Contributions Contract A-3306

Housing Choice Vouchers: This is a housing program wherein low rent tenants lease housing units directly from private landlords rather than through the Authority. The Authority contracts with private landlords to make assistance payments for the difference between the approved contract rent and the actual rent paid by the low rent tenants.

4. Summary of the Non-Federally Aided Programs is as follows:

- a. **NoSo Villages-** NoSo Villages consist of two twenty-two unit projects purchased by the Housing Authority in November 1990 and two duplexes purchased in 2004. The projects are funded from rental revenues and excess administrative fees earned in the Section 8 Programs. The projects are intended to provide affordable housing to low-income residents of Manatee County.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

4. Summary of the Non-Federally Aided Programs is as follows: (Continued)

b. Manatee Villas – Manatee Villas consists of forty single family dwellings constructed in 1994 for rent and eventual resale to low-income families. As of September 30, 2016, thirty-two units have been transferred. Eight units remain in possession of Manatee County Housing Authority as depreciable fixed assets.

5. Basis of Presentation and Accounting: In accordance with uniform financial reporting standards for HUD housing programs, the basic financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP).

Based upon compelling reasons offered by HUD, the Authority reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (enterprise fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net position categories:

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted - Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or they expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

6. Budgets: Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The Capital Fund Budgets are adopted on a “project length” basis. Budgets are not, however, legally adopted nor legally required for basic financial statement presentation.

7. Cash and Cash Equivalents: For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

8. **Interprogram Receivables and Payables:** Interprogram receivables/payables, when present, are all current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all interprogram balances net zero. Offsetting due to/due from balances are eliminated for the basic financial statement presentation.
9. **Investments:** Investments, when present, are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority's agent in the Authority's name. It is the Authority's policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Florida.
10. **Inventories:** Inventories (consisting of materials and supplies) are valued at cost using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. In accordance with the consumption method, inventory is expensed when items are actually placed in service.
11. **Prepaid Items:** Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.
12. **Use of Estimates:** The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
13. **Fair Value of Financial Instruments:** The carrying amount of the Authority's financial instruments at September 30, 2016 including cash, investments, accounts receivable, and accounts payable closely approximates fair value.
14. **Capital Assets:**
 - a. **Book Value:** All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

Land values were derived from development closeout documentation.

Donated fixed assets are recorded at their fair value at the time they are received.

Donor imposed restrictions are deemed to expire as the asset depreciates.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

14. Capital Assets: (Continued)

a. Book Value: (Continued)

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

- b. **Depreciation:** The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

Depreciation commences on modernization and development additions in the year following completion.

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings	29 years
Building modernization	10 years
Furniture and equipment	3-7 years

- c. **Maintenance and Repairs Expenditures:** Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$2,000 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

- d. **Impairment of long-lived assets:** The Authority reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the year ended September 30, 2016.

15. **Compensated Absences:** Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Statement No. 16*. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

16. **Litigation Losses:** The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable and the loss is reasonably estimable.
17. **Annual Contribution Contracts:** Annual Contribution contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.
18. **Risk Management:** The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance, general liability, fire and extended coverage, fidelity bond, automobile, and Director and Officers liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.
19. **Use of Restricted Assets:** It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.
20. **Operating Revenues and Expenses:** The principal operating revenues of the Authority's enterprise fund are charges to customers for rents and services. Operating expenses for the Authority's enterprise fund include the cost of providing housing and services, administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.
21. **Pensions:** For purposes of measuring the net pension (asset) and liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

- B - Deposits and Investments:** For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year.

1. HUD Deposit and Investment Restrictions

HUD requires authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

B - Deposits and Investments: (Continued)

1. HUD Deposit and Investment Restrictions (Continued)

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

2. Risk Disclosures

Custodial Credit Risk: This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

The carrying amounts of the Authority's cash deposits were \$1,559,772 at September 30, 2016. Bank balances before reconciling items were \$1,565,844 at that date, the total amount of which was collateralized or insured with securities held by an unaffiliated banking institution in the Authority's name.

C - Accounts Receivable:

Dwelling rents (net of allowance for doubtful accounts of \$-0-)	\$ 2,972
Other	<u>98,635</u>
	<u>\$ 101,607</u>

D - Due From Other Governments:

U.S. Department of Housing and Urban Development (HUD)	<u>\$ 50,349</u>
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E - Notes and Mortgages Receivable: This consists of a soft second mortgage bearing no interest, with no required payback until the home is sold.

\$ 38,000

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

F - Land, Buildings and Equipment:

	Balance September 30, 2015	Additions	Deletions	Balance September 30, 2016
Not being depreciated:				
Land	\$ 1,194,927	\$ 80,000	\$ -	\$ 1,274,927
Total not being depreciated	1,194,927	80,000	-	1,274,927
Depreciable:				
Buildings & improvements	7,659,642	-	(63,006)	7,596,636
Accumulated depreciation	(5,114,815)	(162,648)	-	(5,277,463)
Net buildings & improvements	2,544,827	(162,648)	(63,006)	2,319,173
Equipment	341,984	59,829	(27,363)	374,450
Accumulated depreciation	(237,565)	(8,749)	10,424	(235,890)
Net equipment	104,419	51,080	(16,939)	138,560
Net depreciable assets	2,649,246	(111,568)	(79,945)	2,457,733
TOTAL	\$ 3,844,173	\$ (31,568)	\$ (79,945)	\$ 3,732,660

G - **Compensated Absences Payable:** The cost of current leave privileges computed in accordance with *GASB statement No. 16, "Compensated Absences"*, is recognized as a current year expenditure in the period in which it is earned, in accordance with U.S. generally accepted accounting principles.

Current liabilities	\$ 11,012
Noncurrent liabilities	99,111
	<u>\$ 110,123</u>

H - Schedule of Changes in Noncurrent Liabilities:

	Balance at September 30, 2015		Year Ended September 30, 2016		Balance at September 30, 2016	
	Noncurrent Portion	Current Portion	Additions	Payments	Current Portion	Noncurrent Portion
Accrued compensated absences	\$ 81,084	\$ 168,765	\$ 35,142	\$ (174,868)	\$ 11,012	\$ 99,111
Pension/OPEB	581,788	-	-	341,557	-	923,345
	<u>\$ 662,872</u>	<u>\$ 168,765</u>	<u>\$ 35,142</u>	<u>\$ 166,689</u>	<u>\$ 11,012</u>	<u>\$1,022,456</u>

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

I - Annual Contributions by Federal Agencies:

Annual Contributions Contract A-3601 - Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. HUD operating subsidy contributions for the year ended September 30, 2016 were \$205,157, and Capital Fund Grant contributions of \$-0-.

Annual Contributions Contract A-3306 – The Section 8 Housing Choice Voucher program provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by a participating family and related administrative expense. HUD contributions for the year ended September 30, 2016, were \$10,480,220.

J - Retirement Commitments:

Retirement Plans

Background - The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members on any State-administered retirement system in paying the cost of health insurance.

All regular Authority employees are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing, multiple employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The Authority's pension expenses for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2016 totaled \$114,063.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

J - Retirement Commitments: (Continued)

Florida Retirement System Pension Plan

Plan Description - The Florida Retirement System Pension Plan (Pension Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

Employees enrolled in the Pension Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or any age after 30 years of service. Employees enrolled in the Pension Plan may include up to 4 years of credit for military service toward creditable service. The Pension Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Pension Plan provides retirement, disability, death benefits, and annual cost-of-living adjustment to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Pension Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

J - Retirement Commitments: (Continued)

Florida Retirement System Pension Plan (Continued)

Class, Initial Enrollment, and Retirement Age/Years of Service:	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.6
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.6
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Senior Management Service Class	2.0

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions - The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all Pension Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the Authority, effective July 1, 2015, were applied to employee salaries as follows: regular employees 7.26 percent, senior management 21.43%, DROP participants 12.88 percent and retirees initially reemployed on or after July 1, 2010, who are not eligible for retirement coverage 4.31%. The Authority's contributions to the Pension Plan were \$60,161 for the year ended September 30, 2016.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

J - Retirement Commitments: (Continued)

Florida Retirement System Pension Plan (Continued)

Pension Costs - At September 30, 2016 the Authority reported a liability of \$570,343 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Authority's proportion of the net pension liability was based on the Authority's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all the FRS's participating employers. At June 30, 2016, the Authority's proportion was .002258771%, which was a decrease of .00010766% from its proportion measured as of June 30, 2015.

For the year ended September 30, 2016, the Authority recognized pension expense of \$86,965 for its proportional share of FRS's pension expense.

In addition, the Authority reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$43,670	\$5,310
Changes in Actuarial Assumptions	\$34,504	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$147,426	
Changes in Proportion and Differences Between the Authority's Contributions and Proportionate Share of Contributions	\$23,595	\$23,846
Authority's Contributions Subsequent to the Measurement Date	\$15,701	
Total	\$264,896	\$29,156

Deferred outflows of resources related to pensions included \$264,896 resulting from contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September 30</u>	<u>Amount</u>
2017	\$30,344
2018	\$30,344
2019	\$87,820
2020	\$60,103
2021	\$8,840
Thereafter	\$2,839

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

J- Retirement Commitments: (Continued)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions - The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% per year
Salary Increases	3.25% Average, Including Inflation
Investment Rate of Return	7.60%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation, as outlined in the Pension Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.0%	3.0%	1.7%
Fixed Income	18.0%	4.7%	4.6%	4.6%
Global Equity	53.0%	8.1%	6.8%	17.2%
Real Estate (Property)	10.0%	6.4%	5.8%	12.0%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	12.0%	6.1%	5.6%	11.1%
Totals	100%			
Assumed Inflation - Mean			2.6	1.9%

Discount Rate - The discount rate used to measure the total pension liability was 7.60% for the Pension Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the statutorily specified rate. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

J - Retirement Commitments: (Continued)

Florida Retirement System Pension Plan (Continued)

Pension Liability Sensitivity - The following presents the Authority's proportionate share of the net pension liability for the Pension Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
FRS Plan Discount Rate	6.60%	7.60%	8.60%
Authority's Proportionate Share of the FRS Plan Net Pension Liability	\$1,095,213	\$570,342	\$171,058

Pension Plan Fiduciary Net Position - Detailed information about the Pension Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

Retiree Health Insurance Subsidy Program

Plan Description - The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2016, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The Authority contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The Authority contributions to the HIS Plan were \$14,635 for the year ended September 30, 2016.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

J- Retirement Commitments: (Continued)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs - At September 30, 2016, the Authority reported a liability of \$326,136 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Authority's proportion of the net pension liability was based on the Authority's contributions received during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all participating employers. At June 30, 2016, the Authority's proportion was .0027983481%, which was an increase of .000090767% from its proportion measured as of June 30, 2016.

For the year ended September 30, 2016, the Authority recognized pension expense of \$27,098 for its proportionate share of HIS's pension expense. In addition, the Authority reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$0	\$743
Changes in Actuarial Assumptions	\$51,179	
Net Difference Between Projected and Actual Earnings on HIS Program Investments	\$165	
Changes in Proportionate and Differences Between the Authority's Contributions and Proportionate Share of Contributions	\$11,875	
Authority's Contributions Subsequent to the Measurement Date	\$3,288	
Total	\$66,507	

Deferred outflows of resources related to pensions included \$66,507 resulting from contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net Pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2017	\$9,061
2018	\$9,061
2019	\$9,030
2020	\$9,014
2021	\$7,799
Thereafter	\$6,636

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

J - Retirement Commitments: (Continued)

Retiree Health Insurance Subsidy Program (Continued)

Actuarial Assumptions - The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions applied to all period included in the measurement:

Inflation	2.60% per year
Salary Increases	3.25% Average, Including Inflation
Municipal Bond Rate	2.85%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2014.

Discount Rate - The discount rate used to measure the total pension liability was 2.85% for the HIS plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity - The following presents the Authority's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
FRS Plan Discount Rate	1.85%	2.85%	3.85%
Authority's Proportionate Share of the FRS Plan Net Pension Liability	\$374,152	\$326,135	\$286,285

Pension Plan Fiduciary Net Position - Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

J - Retirement Commitments: (Continued)

Retiree Health Insurance Subsidy Program (Continued)

Pension Plan Fiduciary Net Position (Continued)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated balance. For the fiscal year ended June 30, 2016, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016
(Continued)

- K - Economic Dependency:** The Authority receives approximately 93% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's reserves could be adversely affected.
- L - Contingencies:** The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the year ended September 30, 2016.
- M - Conduit Type Debt:** Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of the Authority. Accordingly, this debt has not been recorded in the basic financial statements of the Authority. Additionally, HUD no longer provides debt service information to the Authority.
- N - Leasing Activities (as Lessor):** 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 basic financial statements and schedules as "Rental Revenue". Rental Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions which impact personal income and local job availability.

- O - Interprogram Transfers:** The Authority will make cash transfers between its various programs as outlined in the Federal Regulations and authorized and approved by the Authority's Board of Commissioners. There were no transfers during the year ended September 30, 2016.
- P - Subsequent Events:** Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through June 23, 2017 and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

SUPPLEMENTAL INFORMATION

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

COMBINING SCHEDULE OF NET POSITION
SEPTEMBER 30, 2016

	Low Rent Public Housing	Housing Choice Voucher Program	Business Activities	Resident Opportunity and Supportive Services	Public Housing Family Self- Sufficiency under ROSS	Total 2016
ASSETS						
Current assets						
Cash and cash equivalents, unrestricted	\$ 305,768	\$ 40,761	\$ 987,326	\$ 33	\$ -	\$ 1,333,888
Cash and cash equivalents, restricted	32,194	171,715	21,975	-	-	225,884
Accounts receivable, net of allowance	258	98,635	2,714	-	-	101,607
Due from other governments	-	-	-	50,349	-	50,349
Due from/to other programs	-	-	48,953	(48,953)	-	-
Prepaid expense	9,564	14,690	9,615	-	-	33,869
Total current assets	347,784	325,801	1,070,583	1,429	-	1,745,597
Noncurrent assets						
Other assets						
Notes and mortgages receivable	-	-	38,000	-	-	38,000
Insurance deposit	4,000	-	3,850	-	-	7,850
Total other assets	4,000	-	41,850	-	-	45,850
Capital assets						
Not being depreciated	292,985	70,868	911,074	-	-	1,274,927
Depreciable, net	142,023	520,870	1,794,840	-	-	2,457,733
Total capital assets, net	435,008	591,738	2,705,914	-	-	3,732,660
Total noncurrent assets	439,008	591,738	2,747,764	-	-	3,778,510
Total assets	786,792	917,539	3,818,347	1,429	-	5,524,107
Deferred Outflow of Resources	69,595	215,412	46,396	-	-	331,403
Total Assets and Deferred Outflow of Resources	856,387	1,132,951	3,864,743	1,429	-	5,855,510
LIABILITIES						
Current liabilities						
Vendors and contractors payable	2,485	2,080	762	-	-	5,327
Accrued wages/taxes payable	3,795	7,734	2,475	1,429	-	15,433
Accrued compensated absences	3,199	6,097	1,716	-	-	11,012
Unearned revenue	688	-	2,280	-	-	2,968
Resident security deposits	5,325	-	21,975	-	-	27,300
Total current liabilities	15,492	15,911	29,208	1,429	-	62,040
Noncurrent liabilities						
Accrued compensated absences	28,795	54,872	15,444	-	-	99,111
Other accrued liabilities	215,128	582,710	125,507	-	-	923,345
Total noncurrent liabilities	243,923	637,582	140,951	-	-	1,022,456
Total liabilities	259,415	653,493	170,159	1,429	-	1,084,496
Deferred Inflow of Resources	6,279	19,433	4,187	-	-	29,899
Total Liabilities and Deferred Inflow of Resources	265,694	672,926	174,346	1,429	-	1,114,395
NET POSITION						
Net investment in capital assets	435,008	591,738	2,705,914	-	-	3,732,660
Restricted	26,869	171,715	-	-	-	198,584
Unrestricted	128,816	(303,428)	984,483	-	-	809,871
Total net position	\$ 590,693	\$ 460,025	\$ 3,690,397	\$ -	\$ -	\$ 4,741,115

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Low Rent Public Housing	Housing Choice Voucher Program	Business Activities	Resident Opportunity and Supportive Services	Public Housing Family Self- Sufficiency under ROSS	Total 2016
Operating revenues						
Rental revenue	\$ 209,476	\$ -	\$ 503,662	\$ -	\$ -	\$ 713,138
HUD grants	205,157	10,480,220	-	105,970	-	10,791,347
Other revenue	41,798	-	14,611	-	-	56,409
Total operating revenues	456,431	10,480,220	518,273	105,970	-	11,560,894
Operating expenses						
Administrative	214,211	819,997	188,609	105,970	-	1,328,787
Utilities	8,417	4,571	493	-	-	13,481
Ordinary maintenance & operation	279,349	23,871	92,427	-	-	395,647
Protective services	628	-	-	-	-	628
Insurance	35,728	31,813	51,434	-	-	118,975
General expenses	10,230	13,506	5,756	-	-	29,492
Housing assistance payments	-	9,458,893	-	-	-	9,458,893
Depreciation	12,329	20,587	138,481	-	-	171,397
Total operating expenses	560,892	10,373,238	477,200	105,970	-	11,517,300
Operating income (loss)	(104,461)	106,982	41,073	-	-	43,594
Nonoperating revenues (expenses)						
Interest revenue, unrestricted	1	-	-	-	-	1
Fraud recovery	3,906	29,517	-	-	-	33,423
Gain/(loss) on disposition of capital assets	-	1,561	-	-	-	1,561
Total nonoperating revenues	3,907	31,078	-	-	-	34,985
Increase (decrease) in net position	(100,554)	138,060	41,073	-	-	78,579
Net position, beginning of year	691,247	321,965	3,649,324	-	-	4,662,536
Net position, end of year	\$ 590,693	\$ 460,025	\$ 3,690,397	\$ -	\$ -	\$ 4,741,115

MANATEE COUNTY HOUSING AUTHORITY (FL105)

BRADENTON, FL

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	1 Business Activities	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$305,768	\$33	\$40,761	\$987,326		\$1,333,888		\$1,333,888
112 Cash - Restricted - Modernization and Development								
113 Cash - Other Restricted	\$28,889		\$171,715			\$198,584		\$198,584
114 Cash - Tenant Security Deposits	\$5,325			\$21,975		\$27,300		\$27,300
115 Cash - Restricted for Payment of Current Liabilities								
100 Total Cash	\$337,962	\$33	\$212,476	\$1,009,301	\$0	\$1,559,772	\$0	\$1,559,772
121 Accounts Receivable - PHA Projects								
122 Accounts Receivable - HUD Other Projects		\$50,349				\$50,349		\$50,349
124 Accounts Receivable - Other Government								
125 Accounts Receivable - Miscellaneous								
126 Accounts Receivable - Tenants	\$258			\$2,714		\$2,972		\$2,972
126.1 Allowance for Doubtful Accounts - Tenants	\$0			\$0		\$0		\$0
126.2 Allowance for Doubtful Accounts - Other		\$0				\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current								
128 Fraud Recovery			\$98,635			\$98,635		\$98,635
128.1 Allowance for Doubtful Accounts - Fraud			\$0			\$0		\$0
129 Accrued Interest Receivable								
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$258	\$50,349	\$98,635	\$2,714	\$0	\$151,956	\$0	\$151,956
131 Investments - Unrestricted								
132 Investments - Restricted								
135 Investments - Restricted for Payment of Current Liability								
142 Prepaid Expenses and Other Assets	\$9,564		\$14,690	\$9,615		\$33,869		\$33,869
143 Inventories								
143.1 Allowance for Obsolete Inventories								
144 Inter Program Due From				\$48,953		\$48,953	-\$48,953	\$0
145 Assets Held for Sale								
150 Total Current Assets	\$347,784	\$50,382	\$325,801	\$1,070,583	\$0	\$1,794,550	-\$48,953	\$1,745,597
161 Land	\$292,985		\$70,868	\$911,074		\$1,274,927		\$1,274,927
162 Buildings	\$3,488,962		\$597,050	\$2,756,825		\$6,842,837		\$6,842,837
163 Furniture, Equipment & Machinery - Dwellings	\$191,838					\$191,838		\$191,838
164 Furniture, Equipment & Machinery - Administration	\$113,839		\$45,133	\$23,640		\$182,612		\$182,612
165 Leasehold Improvements	\$59,788			\$694,012		\$753,800		\$753,800
166 Accumulated Depreciation	-\$3,712,404		-\$121,313	-\$1,678,637		-\$5,513,354		-\$5,513,354
167 Construction in Progress								
168 Infrastructure								
160 Total Capital Assets, Net of Accumulated Depreciation	\$435,008	\$0	\$591,738	\$2,705,914	\$0	\$3,732,660	\$0	\$3,732,660
171 Notes, Loans and Mortgages Receivable - Non-Current				\$38,000		\$38,000		\$38,000
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due								
173 Grants Receivable - Non Current								
174 Other Assets	\$4,000			\$3,850		\$7,850		\$7,850
176 Investments in Joint Ventures								
180 Total Non-Current Assets	\$439,008	\$0	\$591,738	\$2,747,764	\$0	\$3,778,510	\$0	\$3,778,510

200 Deferred Outflow of Resources	\$69,695		\$215,412	\$46,396		\$331,403		\$331,403
290 Total Assets and Deferred Outflow of Resources	\$856,387	\$50,382	\$1,132,951	\$3,864,743	\$0	\$5,904,463	-\$48,953	\$5,855,510
311 Bank Overdraft								
312 Accounts Payable <= 90 Days	\$2,485		\$2,080	\$762		\$5,327		\$5,327
313 Accounts Payable >90 Days Past Due								
321 Accrued Wage/Payroll Taxes Payable	\$3,795	\$1,429	\$7,734	\$5,675		\$18,633		\$18,633
322 Accrued Compensated Absences - Current Portion	\$3,199		\$6,097	\$1,716		\$11,012		\$11,012
324 Accrued Contingency Liability								
325 Accrued Interest Payable								
331 Accounts Payable - HUD PHA Programs								
332 Account Payable - PHA Projects								
333 Accounts Payable - Other Government								
341 Tenant Security Deposits	\$5,325			\$18,775		\$24,100		\$24,100
342 Unearned Revenue	\$688			\$2,280		\$2,968		\$2,968
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue								
344 Current Portion of Long-term Debt - Operating Borrowings								
345 Other Current Liabilities								
346 Accrued Liabilities - Other								
347 Inter Program - Due To		\$48,953				\$48,953	-\$48,953	\$0
348 Loan Liability - Current								
310 Total Current Liabilities	\$15,492	\$50,382	\$15,911	\$29,208	\$0	\$110,993	-\$48,953	\$62,040
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue								
352 Long-term Debt, Net of Current - Operating Borrowings								
353 Non-current Liabilities - Other	\$26,868					\$26,868		\$26,868
354 Accrued Compensated Absences - Non Current	\$28,795		\$54,872	\$15,444		\$99,111		\$99,111
355 Loan Liability - Non Current								
356 FASB 5 Liabilities								
357 Accrued Pension and OPEB Liabilities	\$188,260		\$582,710	\$125,507		\$896,477		\$896,477
350 Total Non-Current Liabilities	\$243,923	\$0	\$637,582	\$140,951	\$0	\$1,022,456	\$0	\$1,022,456
300 Total Liabilities	\$259,415	\$50,382	\$653,493	\$170,159	\$0	\$1,133,449	-\$48,953	\$1,084,496
400 Deferred Inflow of Resources	\$6,279		\$19,433	\$4,187		\$29,899		\$29,899
508.4 Net Investment in Capital Assets	\$435,008		\$591,738	\$2,705,914		\$3,732,660		\$3,732,660
511.4 Restricted Net Position	\$26,869		\$171,715			\$198,584		\$198,584
512.4 Unrestricted Net Position	\$128,816	\$0	-\$303,428	\$984,483	\$0	\$809,871		\$809,871
513 Total Equity - Net Assets / Position	\$590,693	\$0	\$460,025	\$3,690,307	\$0	\$4,741,115	\$0	\$4,741,115
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$856,387	\$50,382	\$1,132,951	\$3,864,743	\$0	\$5,904,463	-\$48,953	\$5,855,510

MANATEE COUNTY HOUSING AUTHORITY (FL105)
BRADENTON, FL

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2016

	Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	1 Business Activities	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$209,476			\$503,662		\$713,138		\$713,138
70400 Tenant Revenue - Other	\$8,264			\$14,398		\$22,662		\$22,662
70500 Total Tenant Revenue	\$217,740	\$0	\$0	\$518,060	\$0	\$735,800	\$0	\$735,800
70600 HUD PHA Operating Grants	\$205,157	\$105,970	\$10,480,220			\$10,791,347		\$10,791,347
70610 Capital Grants								
70710 Management Fee								
70720 Asset Management Fee								
70730 Book Keeping Fee								
70740 Front Line Service Fee								
70750 Other Fees								
70700 Total Fee Revenue					\$0	\$0	\$0	\$0
70800 Other Government Grants								
71100 Investment Income - Unrestricted	\$1					\$1		\$1
71200 Mortgage Interest Income								
71300 Proceeds from Disposition of Assets Held for Sale								
71310 Cost of Sale of Assets								
71400 Fraud Recovery	\$3,906		\$29,517			\$33,423		\$33,423
71500 Other Revenue	\$33,534			\$213		\$33,747		\$33,747
71600 Gain or Loss on Sale of Capital Assets			\$1,561			\$1,561		\$1,561
72000 Investment Income - Restricted								
70000 Total Revenue	\$480,338	\$105,970	\$10,511,298	\$518,273	\$0	\$11,595,879	\$0	\$11,595,879
91100 Administrative Salaries	\$122,109	\$75,145	\$502,998	\$85,392		\$785,644		\$785,644
91200 Auditing Fees	\$563		\$18,625	\$562		\$19,750		\$19,750
91300 Management Fee								
91310 Book-keeping Fee								
91400 Advertising and Marketing	\$663					\$663		\$663
91500 Employee Benefit contributions - Administrative	\$44,615	\$25,193	\$188,933	\$35,953		\$294,694		\$294,694
91600 Office Expenses	\$28,147	\$2,482	\$72,889	\$13,412		\$116,930		\$116,930
91700 Legal Expense	\$4,051		\$4,062	\$28		\$8,141		\$8,141
91800 Travel	\$2,098	\$173	\$4,315			\$6,586		\$6,586
91810 Allocated Overhead								
91900 Other	\$11,965	\$2,977	\$28,175	\$53,262		\$96,379		\$96,379
91000 Total Operating - Administrative	\$214,211	\$105,970	\$819,997	\$188,609	\$0	\$1,328,787	\$0	\$1,328,787
92000 Asset Management Fee								
92100 Tenant Services - Salaries								
92200 Relocation Costs								
92300 Employee Benefit Contributions - Tenant Services								
92400 Tenant Services - Other								
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93100 Water	\$821		\$662	\$46		\$1,529		\$1,529
93200 Electricity	\$7,596		\$3,909	\$447		\$11,952		\$11,952
93300 Gas								
93400 Fuel								

93500 Labor								
93600 Sewer								
93700 Employee Benefit Contributions - Utilities								
93800 Other Utilities Expense								
93000 Total Utilities	\$8,417	\$0	\$4,571	\$493	\$0	\$13,481	\$0	\$13,481
94100 Ordinary Maintenance and Operations - Labor	\$53,891			\$39,025		\$92,916		\$92,916
94200 Ordinary Maintenance and Operations - Materials and Other	\$27,435		\$4,062	\$3,831		\$35,328		\$35,328
94300 Ordinary Maintenance and Operations Contracts	\$181,035		\$19,809	\$37,363		\$238,207		\$238,207
94500 Employee Benefit Contributions - Ordinary Maintenance	\$16,988			\$12,208		\$29,196		\$29,196
94000 Total Maintenance	\$279,349	\$0	\$23,871	\$92,427	\$0	\$395,647	\$0	\$395,647
95100 Protective Services - Labor								
95200 Protective Services - Other Contract Costs	\$628					\$628		\$628
95300 Protective Services - Other								
95500 Employee Benefit Contributions - Protective Services								
95000 Total Protective Services	\$628	\$0	\$0	\$0	\$0	\$628	\$0	\$628
96110 Property Insurance	\$26,982		\$20,285	\$39,547		\$86,814		\$86,814
96120 Liability Insurance	\$4,287		\$5,028	\$5,932		\$15,247		\$15,247
96130 Workmen's Compensation	\$2,000		\$5,000	\$3,000		\$10,000		\$10,000
96140 All Other Insurance	\$2,459		\$1,500	\$2,955		\$6,914		\$6,914
96100 Total Insurance Premiums	\$35,728	\$0	\$31,813	\$51,434	\$0	\$118,975	\$0	\$118,975
96200 Other General Expenses			\$13,506	\$1,942		\$15,448		\$15,448
96210 Compensated Absences	\$8,574			\$3,814		\$12,388		\$12,388
96300 Payments in Lieu of Taxes								
96400 Bad debt - Tenant Rents	\$970					\$970		\$970
96500 Bad debt - Mortgages								
96600 Bad debt - Other	\$686					\$686		\$686
96800 Severance Expense								
96000 Total Other General Expenses	\$10,230	\$0	\$13,506	\$5,756	\$0	\$29,492	\$0	\$29,492
96710 Interest of Mortgage (or Bonds) Payable								
96720 Interest on Notes Payable (Short and Long Term)								
96730 Amortization of Bond Issue Costs								
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$548,563	\$105,970	\$893,758	\$338,719	\$0	\$1,887,010	\$0	\$1,887,010
97000 Excess of Operating Revenue over Operating Expenses	-\$88,225	\$0	\$9,617,540	\$179,554	\$0	\$9,708,869	\$0	\$9,708,869
97100 Extraordinary Maintenance								
97200 Casualty Losses - Non-capitalized								
97300 Housing Assistance Payments			\$9,458,893			\$9,458,893		\$9,458,893
97350 HAP Portability-In								
97400 Depreciation Expense	\$12,329		\$20,587	\$138,461		\$171,397		\$171,397
97500 Fraud Losses								
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense								
90000 Total Expenses	\$560,892	\$105,970	\$10,373,238	\$477,200	\$0	\$11,517,300	\$0	\$11,517,300
10010 Operating Transfer In								
10020 Operating transfer Out								
10030 Operating Transfers from/to Primary Government								

10040 Operating Transfers from/to Component Unit								
10050 Proceeds from Notes, Loans and Bonds								
10060 Proceeds from Property Sales								
10070 Extraordinary Items, Net Gain/Loss								
10080 Special Items (Net Gain/Loss)								
10091 Inter Project Excess Cash Transfer In								
10092 Inter Project Excess Cash Transfer Out								
10093 Transfers between Program and Project - In								
10094 Transfers between Project and Program - Out								
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$100,554	\$0	\$138,060	\$41,073	\$0	\$78,579	\$0	\$78,579
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$691,247	\$0	\$321,965	\$3,649,324	\$0	\$4,662,536		\$4,662,536
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors								
11050 Changes in Compensated Absence Balance								
11060 Changes in Contingent Liability Balance								
11070 Changes in Unrecognized Pension Transition Liability								
11080 Changes in Special Term/Severance Benefits Liability								
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents								
11100 Changes in Allowance for Doubtful Accounts - Other								
11170 Administrative Fee Equity			\$288,310			\$288,310		\$288,310
11180 Housing Assistance Payments Equity			\$171,715			\$171,715		\$171,715
11190 Unit Months Available	924		15312	828		17064		17064
11210 Number of Unit Months Leased	913		13451	828		15192		15192
11270 Excess Cash	\$250,669					\$250,669		\$250,669
11610 Land Purchases	\$0				\$0	\$0		\$0
11620 Building Purchases	\$0				\$0	\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$36,190				\$0	\$36,190		\$36,190
11650 Leasehold Improvements Purchases	\$0				\$0	\$0		\$0
11660 Infrastructure Purchases	\$0				\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0				\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0				\$0	\$0		\$0

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

CERTIFICATION OF ACTUAL CAPITAL FUND GRANT COSTS
SEPTEMBER 30, 2016

PROGRAM	CFP 501-12	CFP 501-13	CFP 501-14
Funds approved	\$ 103,185	\$ 100,979	\$ 102,260
Funds expended	103,185	100,979	102,260
Excess of funds approved	\$ -	\$ -	\$ -
Funds advanced	\$ 103,185	\$ 100,979	\$ 102,260
Funds expended	103,185	100,979	102,260
Excess of funds advanced	\$ -	\$ -	\$ -

The distribution of costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.

All modernization costs have been paid and all related liabilities have been discharged through payment.

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Federal Grantor:

<u>CFDA Number</u>	<u>Program Title</u>	<u>Pass Through Entity</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
14.870	Resident Opportunity and Supportive Services	NA	\$ 105,970
14.850	Low Rent Public Housing	NA	205,157
14.871	Housing Choice Voucher Program	NA	10,480,220
Total U.S. Department of HUD			<u>10,791,347</u>
Total Federal Awards Expenditures			<u>\$ 10,791,347</u>

Notes to the Schedule of Expenditures of Federal Awards

A. Basis of Accounting

This schedule is prepared on the accrual basis of accounting.

B. Basis of Presentation

The accompanying Schedule of Federal Awards (the Schedule) includes the federal grant activity of the Authority under programs of the federal government for the year ended September 30, 2016. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Title 2 CFR, Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards". 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.

C. Reconciliation of Total Federal Awards Expenditures to Financial Data Schedule

FDS line 706	HUD PHA Grants	\$ 10,791,347
		<u>\$ 10,791,347</u>

Schedule of Manatee County Housing Authority Proportionate Share of Net Pension Liability
 Florida Retirement System
 Last 10 Fiscal Years*

	2016	2015	2014
Manatee County Housing Authority's proportion of the net pension liability (asset) (Refer to Exhibit C)	0.002258771%	0.002366439%	0.002470200%
Manatee County Housing Authority's proportionate share of the net pension liability (asset)	\$ 570,341	\$ 305,657	\$ 150,719
Manatee County Housing Authority's covered-employee payroll	\$ 879,468	\$ 822,875	\$ 784,090
Manatee County Housing Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	64.85%	37.15%	19.22%
Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.
 Note 2: The amounts shown above are for illustration purposes only. Each employer will determine the appropriate amounts to present based upon amounts published in the pension allocation schedules.
 Note 3: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Comprehensive Annual Financial Report.
 Note 4: Refer to GASB 68, paragraph 81a - the information in this schedule should be determined as of the measurement date of the collective net pension liability.

Schedule of Manatee County Housing Authority Contributions
 Florida Retirement System
 Last 10 Fiscal Years*

	2016	2015	2014
Contractually required contribution	\$ 79,045	\$ 78,431	\$ 74,629
Contributions in relation to the contractually required contribution	\$ (79,045)	\$ (78,431)	\$ (74,629)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Manatee County Housing Authority's covered-employee payroll	\$ 879,468	\$ 822,875	\$ 784,090
Contributions as a percentage of covered-employee payroll	8.99%	9.53%	9.52%

* The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

Note 2: The amounts shown above are for illustration purposes only. Each employer will determine the appropriate amounts to present based upon their accounting data.

Note 3: Refer to GASB 68, paragraph 8.1b - the information in this schedule should be determined as of the employer's most recent fiscal year.

Schedule of Manatee County Housing Authority Proportionate Share of Net Pension Liability
Health Insurance Subsidy Program
Last 10 Fiscal Years*

	2016	2015	2014
{Manatee County Housing Authority's proportion of the net pension liability (asset) (Refer to Exhibit C)}	0.002798348%	0.002707581%	0.002639045%
Manatee County Housing Authority's proportionate share of the net pension liability (asset)	\$ 326,136	\$ 276,131	\$ 246,757
Manatee County Housing Authority's covered-employee payroll	\$ 879,468	\$ 822,875	\$ 784,090
Manatee County Housing Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.08%	33.56%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

Note 2: The amounts shown above are for illustration purposes only. Each employer will determine the appropriate amounts to present based upon amounts published in the pension allocation schedules.

Note 3: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Comprehensive Annual Financial Report.

Note 4: Refer to GASB 68, paragraph 81a - the information in this schedule should be determined as of the measurement date of the collective net pension liability.

Schedule of Manatee County Housing Authority Contributions
Health Insurance Subsidy Program
Last 10 Fiscal Years*

	2016	2015	2014
Contractually required contribution	14,599	\$ 10,368	\$ 9,409
Contributions in relation to the contractually required contribution	\$ (14,599)	\$ (10,368)	\$ (9,409)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Manatee County Housing Authority's covered-employee payroll	\$ 879,468	\$ 822,875	\$ 784,090
Contributions as a percentage of covered-employee payroll	1.66%	1.26%	1.20%

* The amounts presented for each fiscal year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, governments should present information for only those years for which information is available.

Note 2: The amounts shown above are for illustration purposes only. Each employer will determine the appropriate amounts to present based upon their accounting data.

Note 3: Refer to GASB 68, paragraph 81b - the information in this schedule should be determined as of the employer's most recent fiscal year.

SINGLE AUDIT SECTION



MALCOLM JOHNSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 530848
210 N. Highway 17-92
DeBary, Florida 32753-0848

Phone (386) 668-6464 Fax (386) 668-6463
malcolmjohnson@mpinet.net

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Manatee County Housing Authority
Bradenton, Florida

HUD, Miami Area Office
Office of Public Housing
909 S.E. First Avenue, Room 500
Miami, Florida 33131

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Basic Financial Statements of Manatee County Housing Authority ("the Authority"), which include the Statement of Net Position as of September 30, 2016, and the related Statements of Revenue, Expenses and Changes In Net Position, Cash Flows For The Year Then Ended, and the related Notes to the Financial Statements and have issued our report thereon June 23, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Authority'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 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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 may exist that have not been identified.

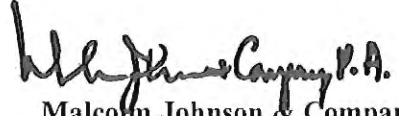
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of 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

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



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
June 23, 2017



MALCOLM JOHNSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 530848
210 N. Highway 17-92
DeBary, Florida 32753-0848

Phone (386) 668-6464 Fax (386) 668-6463
malcolmjohnson@mpinet.net

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE**

Board of Commissioners
Manatee County Housing Authority
Bradenton, Florida

HUD, Miami Area Office
Office of Public Housing
909 S.E. First Avenue, Room 500
Miami, Florida 33131

Report on Compliance for Each Major Program

We have audited Manatee County Housing Authority's ("the Authority") compliance with the types of compliance requirements described 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, 2016. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Program

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, 2016.



Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirements of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 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 the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

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 our testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
June 23, 2017



MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

SECTION I - SUMMARY OF AUDITORS' RESULTS

Basic Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
~ Material weakness(es) identified?	No
~ Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to basic financial statements noted?	No

Federal Awards

Internal control over major programs:	
~ Material weakness(es) identified?	No
~ Significant deficiency(s) identified that are not considered to be material weakness(es)?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)?	No

CFDA Number
14.871

Name of Federal Program
Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(Continued)

SECTION II – BASIC FINANCIAL STATEMENT FINDINGS

There were no Financial Statement Findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings and Questioned Costs.

**MANATEE COUNTY HOUSING AUTHORITY
Bradenton, Florida**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

There were no Prior Audit Findings.

