

HOUSING FINANCE AUTHORITY  
OF MANATEE COUNTY, FLORIDA

AUDITED FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2017

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OF MANATEE COUNTY, FLORIDA

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TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL STATEMENTS	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
BASIC FINANCIAL STATEMENTS	
Governmental Fund Balance Sheet/Statement of Net Position	5
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities	6
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	7
Notes to Financial Statements	8
REGULATORY REPORTS	
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 <i>Government Auditing Standards</i>	13
Independent Accountant's Report	15
Management Letter	16

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Housing Finance  
Authority of Manatee County, Florida

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

We have audited the accompanying financial statements of the governmental activities, and the sole major fund of the Housing Finance Authority of Manatee County, Florida (the "Authority") as of and for the year ended September 30, 2017, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the sole major fund of the Authority as of September 30, 2017, and the respective changes in its financial position thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance 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 3 - 4 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



SHINN & COMPANY, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

December 12, 2017  
Bradenton, FL

## Management's Discussion and Analysis

The following is a narrative overview and analysis of the financial activities of the Housing Finance Authority of Manatee County ("the Authority") for the fiscal year ended September 30, 2017.

### Overview of the Financial Statements

The Authority's financial statements encompass and include the following financial elements:

A Statement of Net Position provides the reader with detail about the assets of the Authority as well as its outstanding liabilities. The difference between assets and liabilities is reported as net position. The Statement of Net Position appears on page 5.

The Statement of Activities, provided on page 6, presents information showing how the net position changed during the fiscal year.

The Notes to the Financial Statements for the Authority provide background information that meets stringent governmental accounting reporting requirements and gives the reader additional information that may not be readily seen on the actual statements. Examples of such information include investment details. The notes can be found on pages 8 to 12 and are an integral part of the financial statements.

### Financial Highlights and Analysis of Financial Statements

The Authority's assets exceeded its liabilities (net position) at September 30, 2017 by \$543,478 compared to \$759,861 at September 30, 2016. This reflects a decrease of \$216,383 for the year.

A new revenue stream was added in the year ended September 30, 2017. In the year ended September 30, 2017, the Authority received total prorated semiannual payments of \$26,884, and also received \$96,624 in one-time upfront fees.

Investment income increased \$37,183, primarily in the GNMA Purchase program.

Contribution refunds and principal repayments decreased \$277,174 in the fiscal year ending September 30, 2017. Contributions were necessary to fund DAP loan activity in the year ended September 30, 2016, which were not necessary in the year ended September 30, 2017.

Program expenses related to Housing and Urban Development increased \$217,600 from the prior year primarily due to increased loan activity for the year ended September 30, 2017.

	Net Position September 30, 2017	
	2017	2016
Current and other assets	<u>\$ 543,478</u>	<u>\$ 759,861</u>
Net position - total	<u>\$ 543,478</u>	<u>\$ 759,861</u>

Changes in Net Position  
For the fiscal year ended September 30, 2017

	2017	2016
Revenues		
Program revenues		
Authority fees	\$ 113,022	\$ 113,503
General revenues		
Investment income	239,086	201,903
Miscellaneous fees	96,624	-
Contribution refunds/Principal repayments	16,321	293,495
Total revenues	465,053	608,901
Program expenses		
General government	102,536	105,930
Housing and Urban Development	578,900	361,300
Total expenses	681,436	467,230
Increase (decrease) in net position	\$ (216,383)	\$ 141,671

**General Fund Budget Variances**

Charges for services were \$26,502 greater than budgeted, and nonbudgeted miscellaneous fees of \$96,624 were received due to the new River Trace project.

Investment income is \$108,141 greater than budgeted due to the GNMA program.

Contribution refunds and principal payments were \$283,679 less than budgeted due to contributions not being necessary to fund DAP loan activity in the fiscal year ending September 30, 2017.

Housing and Urban Development expenses were \$121,100 less than budgeted due to anticipated DAP Loan funding that did not occur in the fiscal year ending September 30, 2017.

**Requests for Information:**

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Housing Finance Authority of Manatee County, 435 12<sup>th</sup> Street West, Suite 117, Bradenton, FL 34205.

HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA  
 GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET POSITION  
 September 30, 2017

	General Fund	Adjustments	Statement of Net Position
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 515,464	\$ -	\$ 515,464
Investments	7,904	-	7,904
Accounts receivable, net	20,110	-	20,110
Total Assets	\$ 543,478	\$ -	\$ 543,478
<u>FUND BALANCE/NET POSITION</u>			
Fund balance			
Unassigned	\$ 543,478	\$ (543,478)	\$ -
Net position			
Unrestricted		543,478	543,478
Total Net Position		\$ -	\$ 543,478

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

HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA  
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES  
For The Year Ended September 30, 2017

	General Fund	Adjustments	Statement of Activities
	<u>          </u>	<u>          </u>	<u>          </u>
Expenditures/expenses:			
General government	\$ 102,536	\$ -	\$ 102,536
Housing and Urban Development	<u>578,900</u>	<u>-</u>	<u>578,900</u>
Total expenditures/expenses	681,436	-	681,436
 Program revenues:			
Authority Fees	<u>113,022</u>	<u>-</u>	<u>113,022</u>
Net program (expense) revenue	<u>(568,414)</u>	<u>-</u>	<u>(568,414)</u>
 General revenues:			
Investment income	239,086	-	239,086
Miscellaneous Fees	96,624	-	96,624
Contribution refunds/Principal repayments	<u>16,321</u>	<u>-</u>	<u>16,321</u>
Total general revenues	<u>352,031</u>	<u>-</u>	<u>352,031</u>
 Excess (deficit) of revenues over expenditures	(216,383)	216,383	-
Change in net position	-	(216,383)	(216,383)
Fund balance/net position:			
Beginning of year	<u>759,861</u>	<u>-</u>	<u>759,861</u>
End of year	<u>\$ 543,478</u>	<u>\$ -</u>	<u>\$ 543,478</u>

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

HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
For The Year Ended September 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Authority fees	\$ 86,520	\$ 86,520	\$ 113,022	\$ 26,502
Investment income	130,015	130,015	239,086	109,071
Miscellaneous fees	-	-	96,624	96,624
Contribution refunds/Principal repayments	<u>300,000</u>	<u>300,000</u>	<u>16,321</u>	<u>(283,679)</u>
Total revenue	<u>516,535</u>	<u>516,535</u>	<u>465,053</u>	<u>(51,482)</u>
Expenditures:				
General Government	125,000	125,000	102,536	22,464
Housing and Urban Development:	<u>700,000</u>	<u>700,000</u>	<u>578,900</u>	<u>121,100</u>
Total expenditures	<u>825,000</u>	<u>825,000</u>	<u>681,436</u>	<u>143,564</u>
Excess (deficit) of revenues over expenditures	(308,465)	(308,465)	(216,383)	92,082
Fund balance - October 1, 2016	<u>759,861</u>	<u>759,861</u>	<u>759,861</u>	<u>-</u>
Fund balance - September 30, 2017	<u>\$ 451,396</u>	<u>\$ 451,396</u>	<u>\$ 543,478</u>	<u>\$ 92,082</u>

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

HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting principles and policies used in the preparation of these financial statements.

REPORTING ENTITY – The Housing Finance Authority of Manatee County, Florida (the “Authority”) was created as a Florida Public Corporation in accordance with Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes, following the adoption of an approving ordinance enacted by the Board of County Commissioners of Manatee County, Florida dated October 30, 1979. The purpose of the Authority is to help alleviate a shortage of housing available at affordable rates in Manatee County and the shortage of capital for investment in such housing. In accordance with the powers granted the Authority, the Authority issues single family and multi-family revenue bonds to finance the purchase of housing by families of low and moderate income through investing in mortgage loans to eligible families or the financing of multi-family rental housing developments rented to eligible families. The mortgage loans are placed as security for the payment of the bond’s principal and interest.

The Authority had issued the following bonds, all or portions of which remain outstanding as of September 30, 2017:

	<u>Original Issue Amount</u>
Single Family Mortgage Revenue Bonds:	
1985 – A	\$ 19,965,000
2007 – A & B	10,000,000
Multi-Family Housing Revenue Bonds:	
Series 2003 A (Village at Cortez)	17,920,000
Series 2007 A (Waters Edge of Bradenton)	20,110,000
Series 2017 A, B, & C (River Trace)	26,449,500

The Bonds are special limited obligations of the Housing Finance Authority of Manatee County, Florida. The principal and interest thereon is payable solely from revenues and other amounts derived from the mortgage loans purchased with bond proceeds and certain revenue funds, all of which are administered by trustees. The Authority is not directly or indirectly liable for the collection of the mortgage loans. The principal and interest on the bonds shall never constitute an indebtedness, liability, general or moral obligation, or pledge of the faith or loan of credit of the Authority, Manatee County, the State of Florida or any municipality or political subdivision thereof.

HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

This report includes the financial statements of The Authority's sole fund, the General Fund. Not included are the financial statements related to the aforementioned outstanding revenue bond issues of the Authority which are administered by the trustees, because all bond proceeds are assigned to the respective trustees and all assets and revenues of the individual revenue bond issues are substantially restricted under the terms of the Bond Resolutions and Trust Indentures for payment of bond principal and interest, authorized administrative expenses, and the extension of mortgage loans. Accordingly, the revenue bonds outstanding, mortgage loans and notes receivable and respective net position available for debt service of the aforementioned bond issues have not been included in the accompanying financial statements.

INCOME – The Authority recognizes issuance, commitment, and other Authority fee income as received.

BASIS OF PRESENTATION – These financial statements include the General Fund of the Authority and have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board. The Authority utilizes the following fund type:

The General Fund is a major governmental fund type and is used to account for all revenue and expenditures applicable to the general operations of the Authority that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

BASIS OF ACCOUNTING - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The General Fund uses the economic resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the period in which they are measurable and available, typically collectable within 60 days, and expenditures are recorded when the liability is incurred. The Statement of Financial Position and the Statement of Activities are prepared on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. There are no adjustments for reconciling items from the governmental fund to the government-wide financial statements.

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

HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
September 30, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

FUND BALANCE – Governmental funds report fund balances are classified either as nonspendable, or as spendable. Spendable fund balances are further classified based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

*Nonspendable Fund Balance* – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations.

*Committed Fund Balance* – Amounts that are constrained for specific purposes by formal action of the highest level of decision making authority.

*Assigned Fund Balance* – Includes spendable fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

*Unassigned Fund Balance* – Represents the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

NOTE B – CASH AND EQUIVALENTS

Cash and equivalents consisted of the following at September 30, 2017:

U.S. Treasury Fund-Cash Management – Unrestricted	\$ 515,464
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NOTE C – INVESTMENTS

The Authority is authorized, per its Investment Policy, in the following:

The Local Government Surplus Funds Trust Fund (SBA) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Section 163.01 of the Florida Statutes.

Securities and Exchange Commission registered money market funds with the highest credit quality rating from a national recognized rating agency.

Interest bearing time deposits, savings accounts or checking accounts in qualified public depositories, as defined in Section 280.02 of the Florida Statutes.

HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
September 30, 2017

NOTE C – INVESTMENTS – CONTINUED

Direct obligations of the United States Treasury

**Custodial Credit Risk** - U.S. Treasury notes, U.S. Treasury bills and all U.S. government agency and instrumentality securities are held by the Authority's agent in the Authority's name, in accordance with the Authority's investment policy requiring third party custody and safekeeping.

**Credit Risk** - Credit quality risk results from potential default of investments that are not financially sound. The Prime account was rated AAAM by Standard & Poor's at September 30, 2017. The SBA's investment policies related to the Prime fund are disclosed at <https://www.sbafla.com/prime>.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority entered into GNMA buy-sell agreements with its lenders, US Bank and Raymond James, whereby qualified loans are originated, pooled, securitized, and sold. All interest rate risk under the agreements is assumed by Raymond James for which they are paid a fee. During the year, the Authority purchased securities totaling \$9,472,205 and sold the securities for \$9,710,346. The gain is recorded in investment income on the financial statements.

On September 30, 2017, the Authority had \$7,904 invested with the State Board of Administration's (the "SBA") Local Government Surplus Funds Trust Fund Investment Pool's Prime account ("Prime"). The SBA is an investment pool administered by the State of Florida. Investments held in the SBA consist of short-term federal agency obligations, treasury bills, repurchase agreements and commercial paper. The SBA has established the Florida PRIME whereby participants own a share of the respective pool and not the underlying securities.

The Florida PRIME (formerly known as Pool or Fund A) is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in the Florida PRIME at amortized cost. Therefore, the Authority's investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool's shares. The Florida PRIME is rated by Standard and Poor's and is currently rated AAAM. The weighted average days to maturity (WAM) at September 30, 2017 is 52 days. Next interest rate reset dates are used in the calculation of the WAM.

The Florida PRIME did not participate in a securities lending program in the year ended September 30, 2017, nor was it exposed to any foreign currency risk. The SBA provides separate financial statements for the Florida PRIME (unaudited) as of and for the period ending June 30. It does not issue financial statements as of and for the period ending September 30.

At September 30, 2017, there were no redemption fees or maximum transfer amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account balance. With regard to liquidity fees, the SBA has the authority to impose penalties for early withdrawal, but has not made any required disclosures relating to these fees. The SBA also has the authority to limit contributions or withdrawals for up to 48 hours in the event of an occurrence or event that has a material impact on the liquidity of the Florida PRIME. No such limitation took place during the year ended September 30, 2017.

HOUSING FINANCE AUTHORITY OF MANATEE COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
September 30, 2017

NOTE D – BUDGET

The Authority adopts a budget annually. The Authority is authorized to amend any areas of the budget, as appropriate, based on changing circumstances or events. No budgets amendments were made.

NOTE E – PROGRAM EXPENSES

The Authority contributes funds to various programs in which it may or may not receive a return of principal in whole or in part. In these financial statements, the contributions are treated as program expense. As amounts are received in the form of fees, return of principal or return of contribution, they will be reported as revenue as received.

REGULATORY REPORTS

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

To the Members of the Housing Finance  
Authority of Manatee County, Florida

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 financial statements of the governmental activities and the sole major fund of the Housing Finance Authority of Manatee County, Florida, (the "Authority"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 12, 2017.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.



SHINN & COMPANY, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

December 12, 2017  
Bradenton, FL

INDEPENDENT ACCOUNTANT'S REPORT

To the Members of the Housing Finance  
Authority of Manatee County, Florida

We have examined the Housing Finance Authority of Manatee County, Florida, (the "Authority") compliance with Section 218.415, Florida Statutes during the fiscal year ended September 30, 2017. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2017.

This report is intended solely for the information and use of the Florida Auditor General, the Authority members, and management, and is not intended to be and should not be used by anyone other than these specified parties.



SHINN & COMPANY, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

Bradenton, Florida  
December 12, 2017

## MANAGEMENT LETTER

To the Members of the Housing Finance  
Authority of Manatee County, Florida

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

We have audited the financial statements of the Housing Finance Authority of Manatee County, Florida, (the "Authority"), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated December 12, 2017.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 12, 2017, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such matters reported in the preceding annual financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

## **Financial Condition**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Annual Financial Report**

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Authority for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

## **Special District Component Units**

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

## **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate, and the Florida House of Representatives, the Florida Auditor General, the Authority members, and management, and is not intended to be and should not be used by anyone other than these specified parties.



SHINN & COMPANY, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

Bradenton, Florida  
December 12, 2017