



**Housing Finance Authority  
of Manatee County, Florida**

**AUDITED FINANCIAL STATEMENTS**

**September 30, 2021**



	<b>Page</b>
<b>REPORT</b>	
Independent Auditors' Report.....	1
Management's Discussion and Analysis .....	3
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Position .....	6
Statement of Revenues, Expenditures, and Changes in Net Position .....	7
Statement of Cash Flows .....	8
Notes to Financial Statements.....	9
<b>REGULATORY REPORTS</b>	
Independent Auditors' 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> .....	20
Independent Accountants' Report on Compliance with Local Government Investment Policies .....	22
Management Letter .....	23



# REPORT



## **INDEPENDENT AUDITORS' 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 Housing Finance Authority of Manatee County, Florida (the "Authority"), as of and for the year ended September 30, 2021, and the related notes to the 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.

### **Auditors' 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 financial position of the Housing Finance Authority of Manatee County, Florida, and the respective changes in financial position and cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

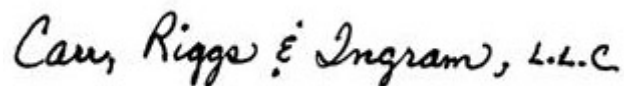
## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 5 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 14, 2021, 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.



Carr, Riggs, & Ingram, LLC

December 14, 2021  
Bradenton, Florida

## **Housing Finance Authority of Manatee County, Florida Management's Discussion and Analysis**

The following is a narrative overview and analysis of the financial performance of the Housing Finance Authority of Manatee County ("the Authority") for the fiscal year ended September 30, 2021. It is designed to provide the reader with a better understanding of the financial statements that follow this section.

The Authority's mission is to provide capital to alleviate the shortage of affordable residential housing facilities for low, moderate and middle income families in Manatee County. The Authority does not receive funding from Manatee County, the State of Florida or any political subdivision thereof. Its sole source of revenue to cover its expenditures in connection with the pursuit of its mission comes from fees and charges from past and present bond issuance and other lending programs, principal repayments from such programs and investment of its surplus funds. The Authority can also rely on its unrestricted net position to cover any shortfall created during any period where its expenditures exceed its revenues.

### **Overview of the Financial Statements**

The Authority's financial statements 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 reader can use this statement to evaluate the capital structure of the Authority and assess the liquidity and financial flexibility of the Authority. The statement of net position appears on page 6.

A Statement of Revenues, Expenditures, and Changes in Net Position provides the reader with information showing how the net position changed during the fiscal year. The reader can use this statement to measure the success of the Authority's operations and level of profitability during the fiscal year. The Statement of Revenues, Expenditures, and Changes in Net Position appears on page 7.

A Statement of Cash Flows provides the reader with information about the Authority's cash receipts, cash payments and net changes in cash resulting from operating, financing and investing activities. It shows the specific source of cash receipts, what it was used for and the change in cash balances during the fiscal year. The reader can use this statement to evaluate the quality of the Authority's earnings and how well the Authority manages its cash. The Statement of Cash Flows appears on page 8.

### **Financial Highlights and Analysis of Financial Statements**

The Authority's assets exceeded its liabilities (net position) at September 30, 2021 by \$1,396,862 as compared to \$513,980 at September 30, 2020. This reflects an increase of \$882,882 during the current year. This increase is primarily due to the Authority's increase in total revenues and a decrease in its total expenditures and total liabilities.

The Authority's total revenue at September 30, 2021 was \$1,103,813 compared to \$678,957 at September 30, 2020. This reflects an increase of \$424,856 during the current year. This increase is due to an increase in Authority fees of \$15,057, in TBA program income of \$19,700, in miscellaneous fees of \$4,125, in contributions/ principal repayments of \$391,593 and a decrease of \$5,619 in investment income. The increase in contributions/principal repayments is primarily due to borrowers taking advantage of refinances at record low mortgage interest rates and home sales at higher sales prices. The decrease in investment income is due to extremely low interest rates being paid on investments during the current year.

## **Housing Finance Authority of Manatee County, Florida Management's Discussion and Analysis**

The Authority's total expenditures at September 30, 2021 were \$220,931 compared to \$305,749 at September 30, 2020. This reflects a decrease of \$84,818 during the current year. This decrease is due to an increase of \$682 in General Government Expense and a decrease of \$85,500 in Housing and Urban Development Expense. The decrease in Housing and Urban Development Expense is primarily due to the programs having fewer loans closed and funded as compared to the year ended September 30, 2020.

The Authority's total liabilities at September 30, 2021 were \$133,368 compared to \$454,357 at September 30, 2020. This reflects a decrease of \$320,989 during the current year. This decrease is due to a decrease in Single Family bond liabilities of \$371,476, an increase in Development deposit liabilities of \$50,000 and an increase of \$487 in accounts payable liabilities. The Authority is required by the generally accepted accounting principles of the Government Accounting Standards Board ("GASB") to report its single family bond issues (non-conduit debt) as liabilities in its basic financial statements even though the Authority is not legally obligated in any manner for repayment of the debt. Chapter 159, Florida Statutes, prohibits bonds issued by the Authority from constituting a debt of the Authority. The Authority is in full compliance with Chapter 159, Florida Statutes and its agreement to include its non-conduit debt in the amount of \$81,921 as a liability in its financial statements shall not be construed that the Authority is obligated for repayment of the debt in any form whatsoever.

The Authority's Cash and Cash Equivalents at September 30, 2021 were \$1,521,858 compared to \$959,978 at September 30, 2020. This reflects an increase of \$561,880 during the current year. This increase is the result of \$933,356 in Net Cash provided by operating and investing activities being offset by \$371,476 in Net Cash used in financing activities.

## Housing Finance Authority of Manatee County, Florida Management's Discussion and Analysis

### Net Position

<i>September 30,</i>	<b>2021</b>	2020
Current and other assets	<b>\$ 1,530,230</b>	\$ 968,337
Development deposit	<b>\$ 50,000</b>	\$ -
Accounts payable	<b>1,447</b>	960
Single family mortgage revenue bonds	<b>81,921</b>	453,397
Total liabilities	<b>133,368</b>	454,357
Net position	<b>\$ 1,396,862</b>	\$ 513,980

### Changes in Net Position

<i>For the fiscal year ended September 30,</i>	<b>2021</b>	2020
Revenues		
Program revenues		
Authority fees	<b>\$ 168,919</b>	\$ 153,862
TBA program income	<b>92,076</b>	72,376
General revenues		
Investment income	<b>80</b>	5,699
Miscellaneous fees	<b>82,625</b>	78,500
Contributions/Principal repayments	<b>760,113</b>	368,520
Total revenues	<b>1,103,813</b>	678,957
Program expenses		
General government	<b>106,931</b>	106,249
Housing and Urban Development	<b>114,000</b>	199,500
Total expenses	<b>220,931</b>	305,749
Increase in net position	<b>\$ 882,882</b>	\$ 373,208

### 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's Secretary/Treasurer of Manatee County, 435 12<sup>th</sup> Street West, Suite 117, Bradenton, FL 34205.





# FINANCIAL STATEMENTS



**Housing Finance Authority of Manatee County, Florida**  
**Statement of Net Position**

<i>September 30,</i>	<i>2021</i>
<hr/>	
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 1,521,858
Investments	8,372
Loans receivable	-
<b>Total current assets</b>	<b>1,530,230</b>
<hr/>	
<b>Total Assets</b>	<b>\$ 1,530,230</b>
<hr/>	
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	1,447
Development deposit	50,000
<b>Total current liabilities</b>	<b>51,447</b>
<hr/>	
Noncurrent liabilities:	
Single Family Mortgage Revenue Bonds, 1985 A&B	\$ 81,921
<b>Total noncurrent liabilities</b>	<b>81,921</b>
<hr/>	
<b>Total Liabilities</b>	<b>133,368</b>
<hr/>	
<b>Net position</b>	
Unrestricted	1,396,862
<hr/>	
<b>Total Liabilities and Net Position</b>	<b>\$ 1,530,230</b>
<hr/>	

**Housing Finance Authority of Manatee County, Florida**  
**Statement of Revenues, Expenditures, and**  
**Changes in Net Position**

<i>For the year ended September 30,</i>	2021
<hr/>	
<b>Operating revenues:</b>	
Authority fees	\$ 168,919
TBA program income	92,076
Miscellaneous income	82,625
Contributions/Principal repayments	760,113
Total operating revenues	1,103,733
<b>Operating expenses:</b>	
General government	106,931
Housing and Urban Development	114,000
Total operating expenses	220,931
Operating income	882,802
<b>Nonoperating revenue (expense)</b>	
Investment income	80
Total nonoperating revenue	80
<b>Change in net position</b>	882,882
Net position, beginning of year	513,980
Net position, end of year	\$ 1,396,862

**Housing Finance Authority of Manatee County, Florida**  
**Statement of Cash Flows**

*For the year ended September 30,* 2021

<b>Cash Flows from Operating Activities:</b>	
Cash received from collection of authority fees	\$ 168,919
Cash received from TBA program payments	92,076
Cash received from miscellaneous fees	82,625
Collection of loan principal/contributions	760,113
Cash Received from Development deposit	50,000
Increase in accounts payable	487
Advances of loan principal	(114,000)
Payment of operating expenses	(106,931)
<hr/>	
Net cash provided by operating activities	933,289
<hr/>	
<b>Cash Flows from Investing Activities:</b>	
Receipt of investment income	67
<hr/>	
Net cash provided by investing activities	67
<hr/>	
<b>Cash Flows from Noncapital Financing Activities:</b>	
Principal payments	(371,476)
Net cash used in financing activities	(371,476)
<hr/>	
Net increase in cash and cash equivalents	561,880
<hr/>	
Cash and cash equivalents, beginning of year	959,978
<hr/>	
Cash and cash equivalents, end of year	\$ 1,521,858
<hr/> <hr/>	

## Housing Finance Authority of Manatee County, Florida Notes to the Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 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 accompanying financial statements present the financial position, changes in financial position, and cash flows of the operating fund, which includes all of the funds controlled by the Authority. The Authority has no component units.

Bonds and notes issued by the Authority are payable, both as to principal and interest, solely from the assets of the various programs that are pledged under the resolutions authorizing the particular issues. These issues do not constitute an obligation, either general or moral, of the Authority, Manatee County, the State of Florida, or of any local government therein. Neither the full-faith, credit, revenues, nor the taxing power of the Authority, Manatee County, the State of Florida, or any local government therein is pledged to the payment of the principal or interest on the obligations. The Authority has no taxing power.

#### ***Revenues and Expenses***

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Operating revenues consist of bond program authority fees, multi-family bond program application/commitment fees, and bond program residuals. Non-operating revenue consists of revenue that is related to investing activity.

#### ***Basis of Presentation***

The Authority accounts for its operating fund activities through the use of an enterprise fund. An enterprise fund is used to account for activities similar to those found in the private sector, where the determination of a change in financial position is necessary or useful for sound financial administration.

#### ***Basis of Accounting***

The accompanying financial statements have been prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

#### ***Cash and Cash Equivalents***

For purposes of the statement of cash flows, the Authority considers all currency, demand deposits, and money market funds with banks or other financial institutions to be cash and cash equivalents.

## Housing Finance Authority of Manatee County, Florida Notes to the Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Investments***

Investments in the Local Government Surplus Trust Fund ("Florida PRIME"), are carried at amortized costs, which approximates fair value. Investments in certificates of deposit are carried at amortized cost, which approximates fair value. Investments in mortgage-back securities are carried at fair value.

#### ***Loans Receivable***

Loans receivable are carried at original cost, less principal collections. Loans receivable, which are deemed by management to be uncollectible, are written-off in the period in which the determination is made.

#### ***Allowance for Loan Losses***

Additions to the allowance for loan losses are made by provisions charged to current operations. The determination of the allowance is based on an evaluation of the loan portfolio, current economic conditions, and other factors relevant to a determination of the collectability of the loans and reflects an amount that, in management's judgement, is adequate to provide for potential losses.

#### ***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.

#### ***Developer Deposits***

The Authority usually requires a deposit from developers seeking new bond financing or bond refunding for multi-family developments. To the extent necessary, the deposited moneys are subsequently utilized to pay the professional fees incurred to structure and close the bond financing. Unused moneys are returned to the developer.

#### ***Net Position***

Net Position is comprised of the accumulated net earnings (losses) from revenues and expenses.

The restricted net position classification is used to indicate a segregation of a portion of net position equal to the value of assets the uses of which are restricted through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Unrestricted net position relates to that portion of net position not restricted for purposes described above. The Authority considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Designations are used to indicate a segregation of a portion of unrestricted net position at the discretion of the Authority, which are to be used for a specific purpose and not for general operations. These amounts are included in unrestricted net position for financial reporting purposes.

## Housing Finance Authority of Manatee County, Florida Notes to the Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 14, 2021 and determined there were no events that occurred that required disclosure.

#### ***Recently Issued and Implemented Accounting Pronouncements***

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

The Authority is evaluating the requirements of the above statements and the impact on reporting.

### **Note 2: DEPOSITS HELD BY CUSTODIAN**

The Authority entered into a depository agreement with US Bank. Pursuant to the agreement US Bank is the custodian of certain moneys and securities (and investment earnings thereon) of the Authority that may be utilized for operations, to acquire investments, and to fund down payment assistance. Deposits held by custodian consisted of \$1,521,858 of US Treasury Funds at September 30, 2021, and these amounts are included in cash and cash equivalents.

### **Note 3: 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.
- 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.

## Housing Finance Authority of Manatee County, Florida Notes to the Financial Statements

### Note 3: INVESTMENTS (Continued)

**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, 2021. 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.

On September 30, 2021, the Authority had \$8,372 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, 2021 is 49 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, 2021, 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, 2021, 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, 2021.

### Note 4: LOANS RECEIVABLE

As part of the single family bond program, the Authority has loan receivables of \$81,921 that have been fully allowed for.



## Housing Finance Authority of Manatee County, Florida Notes to the Financial Statements

### Note 5: 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 amendments were made to the Budget during the year.

### Note 6: 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.

### Note 7: BONDS PROGRAMS

From time to time, the Authority has issued revenue bonds to provide assistance to individuals, families, and private-sector entities. The financial assistance was provided to encourage the investment of private capital and stimulate the acquisition and construction of residential housing for low, moderate, and middle income individuals and families. The bonds are secured by the assets, revenues, receipts, and other resources of the bond programs and are payable solely from payments received pursuant to the respective bond program documents. Neither the Authority, Manatee County, the State of Florida, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds considered conduit debt are not reported as liabilities in the Basic Financial Statements. The bonds considered non-conduit debt are reported as liabilities in the Basic Financial Statements.

As of September 30, 2021, the Authority had issued and outstanding the following bonds pursuant to its authorization:

	Issue Amount	Outstanding Amount
<b>Non-Conduit Debt</b>		
<b>Single Family/Homeowner Mortgage Revenue Bonds:</b>		
1985 - A&B	\$ 19,965,000	\$ 81,921
2007 - A&B	10,000,000	-
<b>Total Non-Conduit Debt</b>	<b>29,965,000</b>	<b>81,921</b>
<b>Conduit Debt</b>		
<b>Multi-Family Housing Revenue Bonds:</b>		
Series 2003 A (Village at Cortez)	\$ 17,920,000	\$ 8,600,000
Series 2007 A (Waters Edge of Bradenton)	20,110,000	16,375,000
Series 2017 A, B, & C (River Trace)	26,449,500	16,568,141
Series 2020 (Reef at Riviera)	31,000,000	14,962,128
<b>Total Conduit Debt</b>	<b>95,479,500</b>	<b>56,505,269</b>
<b>Total</b>		<b>\$ 56,587,190</b>

## Housing Finance Authority of Manatee County, Florida Notes to the Financial Statements

### **Note 7: BONDS PROGRAMS (Continued)**

In some cases, the outstanding balances may include capital appreciation and compound interest bonds at their accreted values calculated as of the most recent bond interest payment date.

The Authority is unaware of and has received no notice of default from the trustees for its single family and multi-family bond programs, except for the following. Other than the following, the Authority is unaware of any current financial difficulties relating to its bond programs.

#### ***Single Family Mortgage Revenue Bonds, Series 2007-A&B***

As of September 30, 2021, the aggregate principal amount due was \$0 after a \$370,000 repayment during the year.

#### ***Single Family Mortgage Revenue Bonds, Series 1985-A***

The Single Family Mortgage Revenue Bonds, Series 1985 matured on July 1, 2017.

The trustee sent notices to the Authority which states, in part, the following:

Notice to Holders of  
Housing Finance Authority of Manatee County, Florida  
Single Family Mortgage Revenue Bonds  
1985 Series A

December 16, 2015

CUSIP 561842FQ3 and 561842FP5 (the "Bonds")

Reference is hereby made to that certain Trust Indenture dated as of July 1, 1985 (the "Indenture"), between the Housing Finance Authority of Manatee County, Florida (the "Authority") and The Bank of New York Mellon Trust Company, N.A., as successor Trustee to Barnett Banks Trust Company, N.A.. (the "Trustee"), relating to Housing Finance Authority of Manatee County, Florida Single Family Mortgage Revenue Bonds 1985 Series A (the "Bonds"). Payments of the principal and interest for the Bonds are insured in accordance with the terms of the financial guaranty policy (the "Policy") issued by Financial Guaranty Insurance Company, (the "Bond Insurer"). Capitalized terms used but not otherwise defined herein will have the meanings assigned to them in the Indenture.

In a prior Notice to Holders of Bonds Insured by the Bond Insurer dated September 23, 2013, the Trustee notified Holders of the Bonds of the Effective Date of The FGIC Plan of Rehabilitation (the "Rehabilitation Plan").

No payments of principal or interest have been made on the bonds since June 1, 2009 and such Events of Default are continuing. The assets held in the Trust Estate for the benefit of the Holders of the Bonds are less than the balance of the unpaid interest and principal outstanding on the Bonds. Holders of the Bonds should note that the Bonds and all payments by the Authority under the Indenture are not general obligations of the Authority but are limited obligations payable solely from the Trust Estate.

## Housing Finance Authority of Manatee County, Florida Notes to the Financial Statements

### **Note 7: BONDS PROGRAMS (Continued)**

#### ***Single Family Mortgage Revenue Bonds, Series 1985-A (Continued)***

In prior notices, the Trustee notified Holders of Events of Default relating to the Authority's failure to make payment of the interest and Sinking Fund Requirements due on the Bonds. The Trustee hereby provides notice to Holders of the Bonds of the occurrence of an additional Event of Default under the Indenture. On December 1, 2015, a payment of interest in the amount of \$6,388 together with a Sinking Fund Requirement in the amount of \$15,000 was due and payable on the Bonds. The Authority failed to provide funds for the full payment of the interest and Sinking Fund Requirement due on the Bonds for payment to Holders of the Bonds on December 1, 2015. In accordance with the Indenture, the Policy and the Rehabilitation Plan, the Trustee made demand on the Bond Insurer for the interest and Sinking Fund Requirement due on December 1, 2015. The Rehabilitation Plan does not provide for full payment of the interest and Sinking Fund Requirement due on December 1, 2015. Collections from the mortgages and the draw on the Policy were not sufficient to pay the interest and Sinking Fund Requirement due on the Bonds on December 1, 2015.

The Authority's failure to make payment of the interest and Sinking Fund Requirement due on the Bonds constitutes an Event of Default under Section 701(a) and 701(b) of the Indenture. Pursuant to Section 706 of the Indenture, upon the occurrence and continuance of an Event of Default, the Bond Insurer or the Holders of a majority in principal amount of the Bonds then outstanding shall have the right, subject to the provisions of Section 802 of the Indenture, by an instrument or concurrent instruments in writing, executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this indenture.

Section 802 states that the Trustee is under no obligation to institute any suit, or to take any remedial proceeding under the Indenture until it is indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements and against all liability. The Trustee may reimburse itself from any money in its possession under the provisions of this Indenture and shall be entitled to preference over any of the Bonds outstanding hereunder.

The Indenture further provides that moneys received by the Trustee pursuant to any right given or action taken shall be allocated in accordance with Section 704 of the Indenture.

With regard to its Single Family Mortgage Revenue Bonds, Series 1985 A ("Single Family 1985-A Bonds"), the Authority makes no recommendations and gives no investment advice and bond holders shall not rely upon the Authority as their sole source of information for any decisions related to the Single Family 1985-A Bonds.

On March 5, 2019, the Trustee submitted to the FGIC, under terms of the FGIC bond insurance policy No. 85010212 as modified by FGIC's First Amended Plan of Rehabilitation dated June 4, 2013 (the "Plan", and such policy as modified by the Plan being the "FGIC Policy"), a claim for the deficiency for the principal payment due on the Bonds and unpaid on such payment date.

## Housing Finance Authority of Manatee County, Florida Notes to the Financial Statements

### **Note 7: BONDS PROGRAMS (Continued)**

#### ***Single Family Mortgage Revenue Bonds, Series 1985-A (Continued)***

Notice to Holders of  
Housing Finance Authority of Manatee County, Florida  
Single Family Mortgage Revenue Bonds  
1985 Series A

March 5, 2019

CUSIP 561842FQ3 and 561842FP5 (the “Bonds”)

The Bank of New York Mellon Trust Company, N.A, acts as successor trustee (the “Trustee”) for the holders of the above-mentioned bonds (the “Bonds”) issued under a Trust Indenture (the “Indenture”) between Barnett Banks Trust Company, N.A. and Manatee County Housing Finance Financing Authority as issuer dated as of July 1, 1985. Capitalized terms not defined in this Notice have the meanings assigned to them in the Indenture.

As stated by the Trustee in a previous notice to the Bondholders, the Trustee has not received sufficient funds for the payment of the principal due on the Bonds on June 1, 2009. The Trustee submitted to Financial Guaranty Insurance Company (“FGIC”), under the terms of the FGIC bond insurance policy No. 85010212 as modified by FGIC’s First Amended Plan of Rehabilitation dated June 4, 2013 (the “Plan”, and such policy as modified by the Plan being the “FGIC Policy”), a claim for the deficiency of the principal payment due on the Bonds and unpaid on such payment date. FGIC permitted such policy claim for such unpaid principal and, in accordance with the FGIC Policy, paid 38.5% (FGIC’s then-current cash payment percentage under the Plan, referred to as the “CPP”) of such claim amount in cash to its fiscal agent, Wilmington Trust, National Association (the “Fiscal Agent”), for the benefit of the Bondholders. The Fiscal Agent disbursed such claim payment to The Depository Trust Company (“DTC”), as the registered Holder of the Bonds, after the Fiscal Agent received from DTC an assignment to FGIC of all of such its rights to payment of the unpaid principal in an amount equal to such claim payment.

Notwithstanding the Bond maturity date of June 1, 2009, the Bonds will continue to remain outstanding so that the Bondholders may receive additional amounts, if any, which may be payable from time to time under the FGIC Policy in connection with any further upward adjustment of the CPP, if applicable. However, no assurance can be given as to whether, when or in what amounts the CPP may be further adjusted pursuant to the Plan.

The trustee has informed the Authority that on September 30, 2020 the outstanding balance of the Single Family Mortgage Revenue Bonds, 1985 Series A was \$83,397 after a \$7,381 retirement during the year and a previously unrecorded amount of \$18,987. This amount has been recorded as a liability of the Authority as required by generally accepted accounting principles even though legally the bonds are not a debt of the Authority. The related receivable not anticipated to be collected, has been fully allowed for and therefore does not appear on the Authority’s statement of net position.

With regard to its Single Family Mortgage Revenue Bonds, 1985 Series A (“Single Family 1985 Bonds”), the Authority makes no recommendations and gives no investment advice and bond holders shall not rely upon the Authority as their sole source of information for any decisions related to the Single Family 1985 Bonds.

## Housing Finance Authority of Manatee County, Florida Notes to the Financial Statements

### **Note 7: BONDS PROGRAMS (Continued)**

#### ***Single Family Mortgage Revenue Bonds, Series 1985-A (Continued)***

The trustee sent notices to the Authority which states, in part, the following:

Notice of Special Payment Date to Owners of  
Housing Finance Authority of Manatee County, Florida  
Single Family Mortgage Revenue Bonds  
1985 Series A

July 2, 2020

The Trustee has set a special payment date of July 14, 2020 for payment of such amounts to the The Depository Trust Company (“DTC”), as the registered holder of the certain of the Bonds, and to the registered Owners of the other bonds.

The trustee sent notices to the Authority which states, in part, the following:

March 25, 2021  
Notice of Special Payment Date to Owners of  
Housing Finance Authority of Manatee County, Florida Single Family Mortgage  
Revenue Bonds 1985 Series A  
(the “Bonds”)

\*CUSIP Numbers: 561842FQ3 and 561842FP5

The Bank of New York Mellon Trust Company, N.A. serves as successor Trustee (the “Trustee”) under a certain Trust Indenture dated as of July 1, 1985 (the “Indenture”), between the Housing Finance Authority of Manatee County, Florida (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as successor Trustee to Barnett Banks Trust Company, N.A., as trustee. The Bonds were issued pursuant to the Indenture. A municipal bond insurance policy was issued by Financial Guaranty Insurance Company (“FGIC”) guaranteeing the payment of interest and principal on the Bonds when due. Capitalized terms not defined in this Notice and Request shall have the meanings ascribed to them in the Indenture. No representation is made as to the correctness of the CUSIP Numbers, which are included solely for the convenience of the Owners of the Bonds.

#### **Prior Notices and Events of Default**

The Trustee has previously advised Owners of Events of Default (in each case as defined under the Indenture) occurring with respect to the Bonds due to insufficient proceeds from loan assets for interest and principal payments due on the Bonds. Such proceeds were insufficient to pay the amount of interest and principal, as applicable, due on each payment date for the Bonds commencing on June 1, 2009 and continuing on each June 1 and December 1 thereafter through the final payment date on June 1, 2016 (each such payment date being a “Deficiency Date”).

## Housing Finance Authority of Manatee County, Florida Notes to the Financial Statements

### **Note 7: BONDS PROGRAMS (Continued)**

#### ***Single Family Mortgage Revenue Bonds, Series 1985-A (Continued)***

All mortgage loans securing payment of the Bonds have since been paid or foreclosed upon and no further loan proceeds are expected going forward. The Trustee has also previously advised Owners of the rehabilitation proceeding involving FGIC, who had issued Municipal Bond New Issue Insurance Policy Number 85010212 insuring payment of interest and principal on the Bonds should such amounts not be paid in full by the Issuer when due. The First Amended Plan of Rehabilitation for FGIC, dated June 4, 2013 (the "Rehabilitation Plan"), which became effective on August 19, 2013, automatically modified all of the policies issued by FGIC which were in force as of such effective date, including the aforementioned policy relating to the Bonds (such policy, as modified by the Rehabilitation Plan, being the "FGIC Policy").

#### **Current Circumstances**

The Trustee submitted claims to FGIC under the FGIC Policy with respect to any interest and principal which became Due for Payment (as defined in the FGIC Policy) on the Bonds on any Deficiency Date but was unpaid by reason of Nonpayment (as defined in the FGIC Policy) by the Issuer. FGIC, in accordance with the Rehabilitation Plan and the FGIC Policy, has paid in cash 43.5% (FGIC's adjusted cash payment percentage (referred to as the "CPP") under the Rehabilitation Plan as of October 14, 2019) of each such claim permitted by FGIC under the FGIC Policy, and such claims payments have been disbursed to the registered Owners of the Bonds in accordance with their respective interests. FGIC has announced that the New York State Department of Financial Services approved an upward adjustment of the CPP (the "2020 CPP Upward Adjustment") from 43.5% to 44.5% in connection with FGIC's 2020 annual revaluation of the CPP under the Rehabilitation Plan, effective October 4, 2020. The registered Owners of the Bonds are entitled to receive, in connection with the 2020 CPP Upward Adjustment, additional cash claims payments by FGIC in respect of the permitted policy claims referred to above as well as the amount currently payable by FGIC in respect of accretion accrued under the Rehabilitation Plan on the unpaid amount of such policy claims, in each case calculated in accordance with the Rehabilitation Plan. Such claims payments total \$1,476.06 with respect to unpaid principal due on the Bonds and \$647.94 with respect to unpaid interest due on the Bonds, and \$578.54 is the amount payable in respect of such accrued accretion. FGIC has informed the Trustee that FGIC, in accordance with the Rehabilitation Plan and the FGIC Policy, has made such payments to Wilmington Trust, FGIC's Fiscal Agent (the "Fiscal Agent"), for the benefit of the Owners of the Bonds. Upon satisfaction of the applicable conditions set forth in the FGIC Policy, the Fiscal Agent will disburse such FGIC payments to the Trustee, so that it may distribute such amounts to the Owners as set forth below.

## Housing Finance Authority of Manatee County, Florida Notes to the Financial Statements

### **Note 7: BONDS PROGRAMS (Continued)**

#### **Special Payment Date**

The Trustee has set a special payment date of April 8, 2021 for payment of such amounts to The Depository Trust Company ("DTC"), as the registered holder of certain of the Bonds, and to the registered Owners of the other Bonds. On such special payment date (subject to the applicable conditions set forth in the FGIC Policy), the Trustee will distribute to DTC and to each such other Owner the portion of such amounts which is payable with respect to the Bonds held by it, as shown on the books of the Trustee. The record date for payment of such amounts is April 5, 2021. The breakdown of the respective interest and principal amounts to be paid (upon satisfaction of the applicable conditions) per \$1,000 Bond held is below: 3

#### ***Multi Family Mortgage Revenue Bonds, Series 2003-A***

On October 1, 2003, the Authority issued \$17,920,000 of Multi Family Revenue Bonds. These bonds mature on January 15, 2037 and carry a coupon rate of 1.34%. The bonds were issued to finance a portion of the costs of acquisition, construction, equipping and placing in use and operation of a multifamily residential rental housing project.

#### ***Multi Family Mortgage Revenue Bonds, Series 2007-A***

On February 23, 2007, the Authority issued \$20,110,000 of Multi Family Revenue Bonds. These bonds mature on March 1, 2038 and carry a coupon rate of 6%. The bonds were issued to finance the acquisition, construction, equipping and placing in use and operation of a multifamily rental housing facility.

#### ***Multi Family Mortgage Revenue Bonds, Series 2017-A&B&C***

On June 28, 2017, the Authority issued \$26,449,500 of Multi Family Revenue Bonds. These bonds mature on June 27, 2052 and carry a coupon rate between 3.07% and 5.5%. The bonds were issued to finance the acquisition, construction, equipping and placing in use and operation of a multifamily and rehabilitation of a multifamily rental housing facility.

#### ***Multi Family Mortgage Revenue Bonds, Series 2020***

On April 14, 2020, the Authority issued \$31,000,000 of Multi Family Revenue Bonds. These bonds mature on April 30, 2040 and carry a coupon rate between 2.25% and 4.59%. The bonds were issued to finance the acquisition, construction, equipping and placing in use and operation of a multifamily and rehabilitation of a multifamily rental housing facility.



# REGULATORY REPORTS





**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH 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 Housing Finance Authority of Manatee County, Florida, (the "Authority"), as of and for the year ended September 30, 2021, 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 14, 2021.

**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.

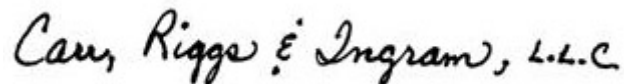
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

Carr, Riggs, & Ingram, LLC

December 14, 2021  
Bradenton, FL

## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

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

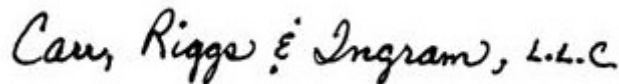
We have examined the Housing Finance Authority of Manatee County, Florida, (the "Authority") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the fiscal year ended September 30, 2021. Management is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide 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 Housing Finance Authority of Manatee County, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report 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 applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Carr, Riggs, & Ingram, LLC

Bradenton, Florida  
December 14, 2021

## **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, 2021, and have issued our report thereon dated December 14, 2021

### **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 14, 2021, 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 to correct.

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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.b. 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Specific Information**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Housing Finance Authority reported:

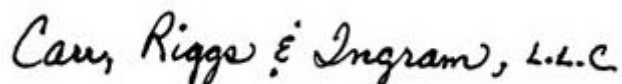
- a. The total number of district employees compensated in the last pay period of the districts fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with that total expenditures for such project as \$0.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$0.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Carr, Riggs, & Ingram, LLC

Bradenton, Florida  
December 14, 2021