

LAKELAND HOUSING AUTHORITY

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2024

LAKELAND HOUSING AUTHORITY
Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Lakeland Housing Authority
Lakeland, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Lakeland Housing Authority (the Authority), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as December 31, 2024, and the changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial

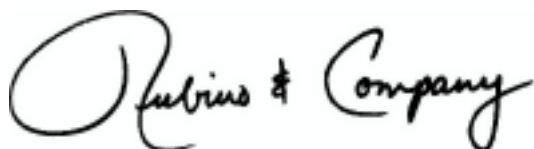
statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule, Schedules of Program Costs and Advances, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule, Schedules of Program Costs and Advances, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, 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 solely 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 effectiveness of the Authority's 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.

A handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style. To the right of the signature is a vertical line.

Bethesda, Maryland
September 30, 2025

**LAKELAND HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2024**

As management of the Lakeland Housing Authority (the Authority), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Benjamin Stevenson, Lakeland Housing Authority, 430 Hartsell Avenue, Lakeland, Florida 33815.

Financial Highlights

- The assets of the Authority exceeded its liabilities as of December 31, 2024, by \$25,884,962 (net position), a decrease of \$90,465 from the previous year.
- The Authority had revenue from the U.S. Department of Housing and Urban Development (HUD) of \$23,237,138.
- The Authority's cash balance as of December 31, 2024, was \$5,360,205, a decrease of \$460,031 from the previous year.

Overview of Financial Statements

The financial statements included in this annual report are those of a special-purpose government engaged in a single business-type activity prepared on an accrual basis. Over time, significant changes in the Authority's net position serve as a useful indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of capital assets. The following statements are included:

- Statement of Net Position - reports the Authority's assets, liabilities and net position at the end of the fiscal year. You can think of the Authority's net position as the difference between the Authority's rights (assets and deferred outflows of resources) and the Authority's obligations (liabilities and deferred inflows of resources).
- Statement of Revenues, Expenses, and Changes in Net Position - this statement presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and cash outflows in prior or future periods.
- Statement of Cash Flows - this statement presents information showing the total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement of cash flows reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt service, prior period obligations, etc.). In addition, the statement reflects the receipt of cash that was obligated to the Authority in prior periods and subsequently received during the current fiscal year (i.e. accounts receivable, notes receivable etc.).

LAKELAND HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2024

Overview of Financial Statements (continued)

- Notes to the Basic Financial Statements - notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding of the overall activity of the Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Authority may face.

In addition to the basic financial statements listed above, our report includes supplemental information. This information is to provide more detail on the Authority's various programs and the required information mandated by regulatory bodies that fund the Authority's various programs.

Financial Analysis

	Statements of Net Position		
	12/31/2024	12/31/2023	Net Change
Current and other assets	\$ 7,501,848	\$ 6,550,027	\$ 951,821
Capital assets, net	18,274,838	17,566,050	708,788
Mortgage receivables and other assets	5,243,253	5,414,082	(170,829)
Total assets	31,019,939	29,530,159	1,489,780
Current liabilities	2,257,456	803,987	1,453,469
Long-term debt	2,416,626	2,282,262	134,364
Non-current liabilities	460,895	468,483	(7,588)
Total liabilities	5,134,977	3,554,732	1,580,245
Net investment in capital assets	15,728,337	15,232,731	495,606
Restricted net position	1,908,457	1,964,197	(55,740)
Unrestricted net position	8,248,168	8,778,499	(530,331)
Total net position	\$ 25,884,962	\$ 25,975,427	\$ (90,465)

Current Assets increased by \$951,821 primarily due to increases in accounts receivables and prepaid expenses.

Capital Assets increased by \$708,788 primarily due to current year capital asset additions exceeding depreciation.

Total Liabilities increased by \$1,580,245 primarily due to increases in accounts payable.

Net position - The difference between the Authority's rights (assets and deferred outflows of resources) and the Authority's obligations (liabilities and deferred inflows of resources) is its net position. Net position is categorized as one of three types.

1. Net investment in capital assets - the Authority's investment in capital assets, net of accumulated depreciation and related debt, is due to capital assets and long-term debt activity.

LAKELAND HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2024

Financial Analysis (continued)

2. Restricted - the Authority's net position whose use is subject to constraints imposed by law or agreement.
3. Unrestricted - the Authority's net position that is neither invested in capital assets nor restricted, which increase principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors. The Authority's unrestricted component of net position is designated for housing-related purposes.

Statements of Revenue, Expenses, and Changes in Net Position			
	Year Ended 12/31/2024	Year Ended 12/31/2023	Net Change
Operating revenues:			
HUD revenues	\$ 21,969,115	\$ 18,611,576	\$ 3,357,539
Other revenues	4,265,389	4,215,596	49,793
Total operating revenues	<u>26,234,504</u>	<u>22,827,172</u>	<u>3,407,332</u>
Operating expenses:			
Administrative	3,691,115	3,589,305	101,810
Tenant services	418,529	372,794	45,735
Utilities	347,125	323,260	23,865
Maintenance	2,453,913	1,814,446	639,467
Insurance	506,212	525,380	(19,168)
General	1,131,452	1,231,351	(99,899)
Depreciation and amortization	992,591	987,413	5,178
Housing assistance payments	18,288,630	15,926,882	2,361,748
Total operating expenses	<u>27,829,567</u>	<u>24,770,831</u>	<u>3,058,736</u>
Operating income (loss)	<u>(1,595,063)</u>	<u>(1,943,659)</u>	<u>348,596</u>
Non-operating revenues (expenses):			
Interest income	249,200	225,029	24,171
Mortgage interest income	40,731	-	40,731
Interest expense	(53,356)	(53,857)	501
Total non-operating revenues (expenses)	<u>236,575</u>	<u>171,172</u>	<u>65,403</u>
Net income/loss before capital contributions	(1,358,488)	(1,772,487)	413,999
Capital contributions	<u>1,268,023</u>	<u>202,495</u>	<u>1,065,528</u>
Change in net position	(90,465)	(1,569,992)	1,479,527
Net position - beginning of year	<u>25,975,427</u>	<u>27,545,419</u>	<u>(1,569,992)</u>
Net position - end of year	<u><u>\$ 25,884,962</u></u>	<u><u>\$ 25,975,427</u></u>	<u><u>\$ (90,465)</u></u>

Total Operating Revenue increased by \$3,407,332 due to an increase in HUD operating revenue.

Total Operating Expenses increased \$3,058,736 during 2024 primarily due to an increase in housing assistance payments and maintenance expenses.

**LAKELAND HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2024**

Financial Analysis (continued)

Capital Contributions from HUD Capital Fund grants included as capital contributions increased by \$1,065,528 for 2024.

Capital Asset and Debt Activity

At the end of fiscal year 2024, the Authority's net capital assets increased by \$591,394. The net change was due to depreciation expense of \$992,591 offset by current year additions of \$1,583,985. The accompanying financial statements include a detailed roll forward of capital assets in Note B-3.

At the end of the fiscal year 2024, the Authority had debt of \$2,288,631, which includes \$52,403 represented as a current liability for the payment on the TD bank loan. In addition, the Authority had lease liabilities totaling \$257,870 for vehicle leases.

Factors Affecting Next Year's Budget

The Authority is primarily dependent upon HUD for the funding of its Low Rent Public Housing, Housing Choice Voucher and Capital Fund programs; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected under HUD's model of Asset Management which requires public housing sites to operate independently in a decentralized model. In addition, HUD rules and regulations are subject to change which may require a tight timeline to implement the changes and could possibly have a retroactive effect. Additional costs may be required to implement the changes without offsetting additional funding.

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development;
- Local labor supply and demand, which can affect salary and wage rates;
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income as well as housing assistance payments to landlords;
- Inflationary pressure on utility rates, housing costs, supplies and other costs; and
- Current trends in the housing market.

LAKELAND HOUSING AUTHORITY

Lakeland, Florida

STATEMENT OF NET POSITION

December 31, 2024

ASSETS

Current Assets

Cash and cash equivalents	\$ 3,023,108
Restricted cash and cash equivalents	2,337,097
Accounts receivable	1,710,097
Prepaid expenses	<u>295,120</u>
 Total Current Assets	 <u>7,365,422</u>

Noncurrent Assets

Notes receivable:	3,906,771
Other assets	<u>1,336,482</u>
 Total Other Noncurrent Assets	 <u>5,243,253</u>

Capital Assets:

Land and improvements	1,833,228
Buildings	32,661,352
Furniture and equipment	2,347,946
Construction in progress	1,427,907
Infrastructure	7,115,702
Less: Accumulated depreciation	<u>(27,111,297)</u>
Total Capital Assets	<u>18,274,838</u>
 Total Noncurrent Assets	 <u>23,518,091</u>

TOTAL ASSETS	<u><u>\$ 30,883,513</u></u>
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The accompanying notes are an integral part of the financial statements.

LAKELAND HOUSING AUTHORITY

Lakeland, Florida

STATEMENT OF NET POSITION

December 31, 2024

LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable	\$ 1,184,766
Accrued wages	263,304
Compensated absences	79,141
Accounts payable, other government	20,937
Accrued expenses	33,241
Unearned revenue	295,067
Long-term debt, capital - current portion	129,875
Other current liabilities	137,583
Resident security deposits	113,542
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Total Current Liabilities	2,257,456
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Noncurrent Liabilities

Long-term debt, net of current - capital	2,416,626
Accrued compensated absences - long-term	145,497
Noncurrent liabilities - other	315,398
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Total Noncurrent Liabilities	2,877,521
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TOTAL LIABILITIES	5,134,977
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Net Position

Net investment in capital assets	15,728,337
Restricted net position	1,908,457
Unrestricted net position	8,111,742
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TOTAL NET POSITION	25,748,536
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TOTAL LIABILITIES AND NET POSITION	\$ 30,883,513
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The accompanying notes are an integral part of the financial statements.

LAKELAND HOUSING AUTHORITY**Lakeland, Florida****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION****Year ended December 31, 2024****Operating Revenues**

HUD operating revenues	\$ 21,969,115
Other government operating grants	430,180
Tenant revenue, net	2,359,115
Other operating revenue	1,476,094
Total Operating Revenues	<u>26,234,504</u>

Operating Expenses

Administration	3,691,115
Resident services	418,529
Utilities	347,125
Maintenance and operations	2,453,913
Insurance expense	642,638
General expense	1,131,452
Housing assistance payments	18,288,630
Depreciation and amortization	992,591
Total Operating Expense	<u>27,965,993</u>

Operating Income/(Loss) (1,731,489)

Nonoperating Revenues/(Expenses)

Investment income	249,200
Mortgage interest income	40,731
Interest expense	<u>(53,356)</u>

Net Nonoperating Revenues/(Expenses) 236,575

Net Income/(Loss) before capital contributions (1,494,914)

Capital Contributions

Capital grants - HUD	<u>1,268,023</u>
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Change in Net Position (226,891)

Total Net Position - Beginning of Year 25,975,427

Net Position - End of Year \$ 25,748,536

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

LAKELAND HOUSING AUTHORITY
Lakeland, Florida

STATEMENT OF CASH FLOWS
Year ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

HUD operating grants received	\$ 22,207,537
Other government operating grants received	430,094
Collections from tenants	2,302,743
Collections from other sources	1,340,330
Payments to employees	(4,078,074)
Payments to suppliers	(4,178,687)
Housing assistance payments	(18,288,630)

NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES (264,687)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal payments on long-term debt	(44,688)
Interest payments on long-term debt	(112,115)
Purchase of property and equipment	(518,492)
Capital contributions received	217,601

NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED (457,694)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	348,690
Investment in notes receivable	(86,340)

NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES 262,350

NET INCREASE/(DECREASE) IN CASH (460,031)

CASH AND INVESTMENTS AT BEGINNING OF YEAR 5,820,236

CASH AND INVESTMENTS AT END OF YEAR \$ 5,360,205

RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT
OF CASH FLOWS TO THE STATEMENT OF NET POSITION

Cash and Cash Equivalents - Unrestricted	\$ 3,023,108
Cash and Cash Equivalents - Restricted	2,337,097

CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION \$ 5,360,205

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

LAKELAND HOUSING AUTHORITY
Lakeland, Florida

STATEMENT OF CASH FLOWS
Year ended December 31, 2024

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
USED IN OPERATING ACTIVITIES

Operating Income/(Loss)	\$ (1,731,489)
Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:	
Depreciation	992,591
Decrease (Increase) in accounts receivable	(120,331)
Decrease (Increase) in prepaid expenses	(104,673)
Decrease (Increase) in other assets	191,026
Increase (Decrease) in accounts payable	73,966
Increase (Decrease) in accrued wages	70,672
Increase (Decrease) in accrued compensated absences	84,940
Increase (Decrease) in unearned revenue	247,686
Increase (Decrease) in accrued expenses	32,341
Increase (Decrease) in non current liabilities - other	(125,876)
Increase (Decrease) in security deposits/escrow deposits	2,093
Increase (Decrease) in other current liabilities	56,224
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u><u>\$ (264,687)</u></u>

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

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

The Housing Authority of the City of Lakeland, Florida (the Authority) is a governmental agency and was created pursuant to Florida State Statutes Chapter 421 to provide low-rent housing for qualified individuals in accordance with laws, rules and regulations prescribed by the United States Department of Housing and Urban Development (HUD). The primary purpose of the Authority is to provide decent, safe, sanitary and affordable housing to low income, elderly and disabled families within Lakeland, Florida.

The Authority is a related organization of the City of Lakeland, Florida (the City) since the Board of Commissioners (the Board) of the Authority consists of seven members who are appointed by the Mayor of the City with the approval of the City Commission. However, for financial reporting purposes, the Authority is not a component unit of the City, as defined in Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification, as the Board independently oversees the Authority's operations.

The definition of the reporting entity as defined by the GASB Codification is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

Blended component units

Some component units, despite being legally separated from the primary government, are so integrated with the primary government that they are in substance part of the primary government and are therefore blended with the primary government. The Authority's operations include the blended component units noted below, which are included in the basic financial statements and consist of legally separate entities for which the Authority is financially accountable and that have the same governing board as the Authority. The blended component units are as follows:

- Polk County Housing Developers, Inc. (PCHD)
- West Lake Management, LLC.
- Renaissance at Washington Ridge Master Association, Inc. (limited activity in fiscal year 2024)
- Bonnet Shores GP, Inc. (limited activity in fiscal year 2024)
- Polk County Housing, Inc. (limited activity in fiscal year 2024)
- West Lake Realty, Inc. (limited activity in fiscal year 2024)
- Arbor Manor LTD, LLLP (limited activity in fiscal year 2024)
- Heritage Oaks at Renaissance Development, LLC (limited activity in fiscal year 2024)
- West Bartow GP, Inc. (limited activity in fiscal year 2024)
- Dakota GP, Inc. (limited activity in fiscal year 2024)
- Lakeland - Polk Housing Corporation (LPHC) and subsidiaries:
 - Dakota Park Limited Partnership, LLLP (Dakota Park)
 - Renaissance at Washington Ridge LTD, LLLP (Renaissance)
 - Williamstown, LLLP (Williamstown)
 - LPHC 2, Inc

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Lakeland - Polk Housing Corporation (LPHC) - a Florida not-for-profit corporation formed October 30, 1996 to provide and develop affordable housing opportunities to low and moderate income persons and/or families primarily located in, but not limited to, Lakeland, Florida and the surrounding areas. The by-laws of LPHC further expand the purpose to seek to support the goals and objectives of the Authority while remaining a separate and distinct entity, both functionally and legally. The Executive Director of the Authority is an officer and the Secretary/Manager of LPHC and manages its operations. The subsidiaries of LPHC include the following entities:

Dakota Park Limited Partnership, LLLP (Dakota Park) - a Florida Limited Liability Limited Partnership formed on March 6, 1998 and amended on August 1, 2005 to acquire, construct, maintain, operate, and lease a 40 unit apartment known as Dakota Park Apartments, intended primarily for low income and moderate income tenants in Lakeland, Florida. LPHC is the General Partner of Dakota Park.

Renaissance at Washington Ridge LTD, LLLP (Renaissance) - a Florida Limited Liability Limited Partnership formed in September 2001. Renaissance was formed in order to acquire, construct, develop, improve, maintain, own, operate, lease, and dispose of the properties known as the Washington Ridge Park Apartments and Lake Ridge Apartments located in Lakeland, Florida. Renaissance has entered into a ground lease with the Authority (see Note A-8). LPHC is the General Partner of Renaissance.

Williamstown, LLLP (Williamstown) - a Florida Limited Liability Company formed on September 21, 2016 to acquire, construct, maintain, operate, and lease properties known as Cottages of Williamstown, intended primarily for low income and moderate income tenants in Lakeland, Florida.

LPHC 2, Inc. - a Florida for-profit corporation formed January 28, 2002 to provide and to develop affordable housing opportunities to low and moderate income persons and/or families primarily located in, but not limited to, Lakeland, Florida and the surrounding areas. LPHC 2, Inc. is wholly owned by LPHC and shares a common Board of Directors. The Executive Director of the Authority is an officer and the Secretary/Manager of LPHC 2, Inc. and manages its operations.

All the above component units are related Florida Corporations. These entities were created as instrumentalities of the Authority for the purpose of providing and developing affordable housing opportunities or implementing housing policies and programs.

Related organizations

In accordance with the GASB Codification, the following entities are not considered to be component units of the Authority because they are regulated by a partnership agreement or have independent governing boards, and the Authority is not financially accountable for their activities. See Notes B-4 and B-9 for activity associated with these entities.

West Bartow Partnership LTD, LLLP (West Bartow) - a Florida Limited Liability Limited Partnership formed on March 27, 2007 to be a low income elderly housing provider. The General Partner of West Bartow is LPHC. The Special Limited Partner is West Bartow GP, Inc. (a blended component unit). The initial Limited Partner was the Authority, who was previously replaced by SunAmerica Housing Fund, the Equity Investor (Syndicator). The developer is Polk County Housing Developers, Inc. (a blended component unit). The Executive Director of the Authority, as President of the General Partner, manages the operations of West Bartow. The Authority provides certain operational and administrative support functions for West Bartow on a cost reimbursement basis.

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Bonnet Shores, LLLP (Bonnet Shores) - a Florida Limited Liability Limited Partnership formed on March 13, 2008 to provide and develop affordable housing opportunities to low and moderate income persons and/or families located in, but not limited to, Lakeland, Florida and the surrounding areas.

Bonnet Shores GP, Inc. (a blended component unit) is the General Partner.

The Executive Director of the Authority, as President of the General Partner, manages the operations of Bonnet Shores.

Colton Meadow, LLLP (Colton Meadow) - a Florida Limited Liability Limited Partnership formed on March 13, 2008 and is a low income elderly housing provider.

Colton Meadow GP, LLC, which is owned by LPHC, is the General Partner.

The Executive Director of the Authority, as President of the General Partner, manages the operations of Colton Meadow.

The Authority provides all operational and administrative support functions for Colton Meadow on a cost reimbursement basis. In addition, the Authority has provided a portion of its earned developer fees to fund an operating deficit reserve as well as to cover various development expenses over time. As a result of this activity, the Authority has notes receivable from Colton Meadow in the amount of \$813,746 at December 31, 2023.

Colton Meadow GP, LLC (Colton Meadow GP) - a Florida Limited Liability Company was formed on September 28, 2010 to act as the General Partner in the Colton Meadow partnership. Colton Meadow GP is wholly owned by LPHC.

The Executive Director of the Authority manages the operations of Colton Meadow GP. The Authority provides all operational and administrative support functions for Colton Meadow GP on a cost reimbursement basis.

2. Government-wide and fund financial statements

The government-wide financial statements report information about the reporting government as a whole excluding fiduciary activities. The statements distinguish between governmental and business-type activities. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities rely to a significant extent on user fees and charges for support.

Governments use fund accounting, whereby funds are organized into three major categories: governmental, proprietary and fiduciary. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditures/expenses.

For financial reporting purposes, the Authority reports all of its operations as a single business-type activity in a single enterprise fund. Therefore, the government-wide and the fund financial statements are the same.

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and fund financial statements (continued)

Enterprise funds are proprietary funds. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating activities generally arise from providing services in connection with a proprietary fund's principal activity. The operating revenues of the Authority consist primarily of rental charges to tenants, management fees, development fees and operating grants from HUD and include, to a lesser extent, certain operating amounts of capital grants that offset operating expenses.

Operating expenses for the Authority include the cost of tenant services, general, administrative, maintenance, utilities, depreciation and housing assistance payments. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses, except for capital contributions, which are presented separately.

When restricted resources meet the criteria to be available for use and unrestricted resources are also available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources, as needed.

3. Measurement focus and basis of accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. The proprietary fund utilizes an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are reported. Proprietary fund equity is classified as net position.

Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The basis of accounting used is similar to businesses in the private sector; thus, these funds are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded in the period incurred.

For financial reporting purposes, the Authority considers its HUD grants associated with operations as operating revenue because these funds more closely represent revenues generated from operating activities rather than nonoperating activities. HUD grants associated with capital acquisition and improvements are considered capital contributions and are presented after nonoperating activity on the accompanying statement of revenues, expenses and changes in net position.

4. Summary of programs

The accompanying basic financial statements include the activities of several housing programs of the Authority. A summary of each significant program is provided below.

Moving to Work Demonstration Program (MTW)

The Authority was selected to be part of HUD's expansion of its Moving to Work (MTW) program. The Authority was included in the Asset Building cohort. As an MTW agency, the Authority has additional flexibility to implement alternative housing and self-sufficiency strategies. It also gives the Authority the opportunity to pool its Public Housing, Capital Fund, and Housing Choice Voucher funding to deliver housing assistance to the public.

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Summary of programs (continued)

Low Rent Public Housing Programs

The Low Rent Public Housing Programs include the following: Asset Management Projects (AMPs), Public Housing Capital Fund and various other related HUD grants.

The purpose of the public housing program is to provide decent and affordable housing to low-income families at reduced rents. The developments are owned, maintained and managed by the Authority. The developments/units are acquired, developed and modernized under HUD's Development and Capital Fund programs.

Funding of the program operations and development is provided by federal annual contributions, operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition and other allowances).

Central Office Cost Center

The Central Office Cost Center (COCC) is a business unit within the Authority that generates revenue through fees for service from other Authority programs and activities.

Housing Assistance Payments (HAP) Programs

HAP Programs utilize existing privately owned family rental housing units to provide decent and affordable housing to low-income families. The Section 8 Housing Choice Voucher program and Mainstream Vouchers program are funded through federal housing assistance contributions from HUD for the difference between the approved landlord contract rent and the rent paid by the tenants.

5. Assets, liabilities and net position

a. *Cash and cash equivalents*

For purposes of the statement of cash flows, the Authority considers all unrestricted highly liquid investments with original maturities of three months or less to be cash equivalents. Accordingly, the Authority does not have any cash equivalents as of December 31, 2024.

b. *Receivables*

Receivables consist of revenues earned and not yet received, such as revenue from tenants, management fees and development activities. Amounts due from HUD represent reimbursable expenses or grant subsidies earned that have not been collected as of December 31, 2024. Allowances are determined by management based on the specific accounts and prior experience (see Note B-2).

c. *Notes receivable, restricted*

Restricted notes receivable consist of mortgage notes receivable from related parties whose future availability is restricted for use for further development (see Note B-4). In accordance with HUD guidelines, these mortgage notes receivable are considered restricted upon repayment (see Note A-5-j-ii).

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

d. *Capital assets*

The Authority's policy is to capitalize assets with a value in excess of \$1,500. The Authority capitalizes the costs of site acquisition and improvement, structures, infrastructure, equipment and direct development costs meeting the capitalization policy. Routine repairs and maintenance are charged against operations. Assets are valued at historical cost, or estimated historical cost if actual historical cost is not available, and contributed assets are valued at market value on the date contributed.

Depreciation has been provided using the straight-line method over the estimated useful lives, which range as follows:

Buildings and improvements: 15 – 40 years
Equipment: 5 – 7 years
Infrastructure: 40 years

e. *Impairment of long-lived assets*

Prominent events or changes in circumstances affecting capital assets are evaluated to determine whether impairment of a capital asset has occurred. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. Management has determined that there were no impairments as of December 31, 2024.

f. *Tenant security deposits*

Tenant security deposits are deposits held by the Authority that are required of tenants before they are allowed to move into an Authority-owned site. The Authority records this cash as restricted, as this is money that is reimbursable to the tenant or reserved for unit repairs when the unit is vacated.

g. *Accrued compensated absences*

The Authority's policy allows employees to accumulate unused flexible time off up to a maximum of 60 days. Upon separation, employees are paid for their unused accumulated flexible time off if proper notice is given. Accrued compensated absences are recorded as an expense in the year earned in the basic financial statements with an offsetting liability being reflected for any unpaid amounts. Management estimates the current portion of the liability based on prior experience and account composition.

h. *Unearned revenue*

Unearned revenue includes amounts collected before revenue recognition criteria are met.

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

i. *Eliminations*

For financial reporting purposes, certain amounts are internal and are therefore eliminated. The following have been eliminated from the financial statements:

i). *Interprogram due to/from*

In the normal course of operations, certain programs pay for operating shortfalls of other programs as well as common costs which creates interprogram receivables or payables. As of December 31, 2024, the interprogram receivables and payables net to zero and \$5,063,009 are eliminated for the presentation of the Authority as a whole.

In addition, primarily involving the Authority's blended component units, \$1,358,475 of internal loans and receivables and accrued interest payable and receivable of \$929,390 have been eliminated.

ii). *Fees for service*

The Authority's COCC and blended component units internally charges fees to the AMPs and programs of the Authority for services rendered. These charges include management, book-keeping, and asset management fees. For financial reporting purposes \$810,086 of fees for service have been eliminated for the year ended December 31, 2024.

j. *Net position*

In accordance with GASB Codification, total equity is classified into three components of net position:

i). *Net investment in capital assets*

This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.

ii). *Restricted net position*

This category consists of net position restricted in its use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The statement of net position of the Authority reports \$1,908,457 of restricted net position which consists of the following:

- \$1,908,457 in restricted cash for reserves.

iii). *Unrestricted net position*

This category includes all of the remaining net position that do not meet the definition of the other two categories.

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Budgets

Budgets are prepared on an annual basis for each major program and are used as a management tool throughout the accounting cycle. Budgets are not, however, legally adopted nor required in the basic financial statement presentation.

7. Income taxes

The Authority is a governmental entity and is exempt from federal and state income taxes. Accordingly, no provision for federal or state income taxes has been made in the financial statements. The Authority's blended component units are subject to the income tax provisions of the Florida Statutes and the Internal Revenue Code.

The Authority's blended component units account for income taxes in accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), which clarifies the accounting and disclosure requirements for uncertainty in tax positions. It requires a two-step approach to evaluate tax positions and determine if they should be recognized in the financial statements. The two-step approach involves recognizing any tax positions that are "more likely than not" to occur and then measuring those positions to determine if they are recognizable in the financial statements. Management regularly reviews and analyzes all tax positions and has determined no aggressive tax positions have been taken.

For the fiscal year ended December 31, 2024, the blended component units did not have any income taxes paid or outstanding. The income tax filings of the Authority's blended component units are subject to audit by various taxing authorities. The open audit periods for these entities are 2020 through 2023.

8. Leasing activities

Lessee - For new or modified contracts, the Authority determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the Authority records a lease asset and lease obligation which is calculated based on the value of the discounted future lease payments over the term of the lease. The Authority recognizes a lease liability and right to use asset on the statement of net position. Leases with an initial, non-cancellable term of 12 months or less are not recorded on the statement of net position and expense is recognized as incurred over the lease term. At the commencement of the lease, the Authority measures the lease liability at the present value of payments expected to be made during the lease term and then reduces the liability by the principal portion of lease payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, then amortized on a straight-line basis over a period that is shorter of the lease term or the useful life of similar capital assets. Lease payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Leasing activities (continued)

Lessor - For new or modified contracts, the Authority determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the Authority records a lease receivable and a deferred inflow of resources which is calculated based on the value of the discounted future lease payments over the term of the lease. The Authority will not recognize a lease receivable and a deferred inflow of resources for leases with a non-cancellable term of less than 12 months, and income is recognized as earned. The Authority is a lessor for multiple non-cancellable leases of real property. The Authority recognizes a lease receivable and a deferred inflow of resources on the statement of net position. At the commencement of a lease, the Authority measures the lease receivable as the present value of payments expected to be received during the lease term and then reduces the receivable by the principal portion of lease payments received after satisfaction of accrued interest on the lease receivable, calculated using the effective interest method. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, then recognized on a straight-line basis as revenue over the lease term.

The Authority is the lessor of dwelling units to moderate and low income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time or renewed every year upon recertification of income. The Authority may cancel the lease only for cause. In addition, a significant majority of the capital assets are used in these leasing activities. Revenues associated with these leases are recorded in the accompanying basic financial statements and related schedules within tenant revenue.

The Authority is the lessor under a ground lease to a blended component unit, Renaissance, where the project has been built. The ground lease expires December 31, 2101. The lease provides for annual rent of \$1. In addition, the Partnership is to pay all operating costs, including taxes and insurance, of the property.

In addition, the Authority is the lessor under a ground lease to a blended component unit, Williamstown. The ground lease expires in 2118. The lease provides for annual rent of \$1. In addition, the Partnership is to pay all operating costs, including taxes and insurance, of the property.

9. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 during the reporting period. Actual results could differ from those estimates.

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE B - DETAILED NOTES

1. Deposits

As of December 31, 2024, the Authority's cash consists of deposits with a book balance of \$5,360,205.

The Authority's deposits are insured by the Federal Depositary Insurance Corporation (FDIC) for up to \$250,000. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Deposits Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Authority pursuant to the Florida Statutes.

Financial institutions must meet the criteria of being a Qualified Public Depository as described in the Florida Statutes, before any investments are made with those institutions.

In accordance with the GASB Codification, the Authority's exposure to risk is disclosed as follows:

Credit Risk - is the risk that an issuer or other counterparty will fail to meet its obligations in accordance with agreed terms. It is the Authority's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies in the United States of America. As of December 31, 2024, the Authority mitigated its exposure to credit risk by following HUD regulations.

Custodial Credit Risk - is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposit policy for custodial credit risk requires collateral to be held in the Authority's name by its agent or by the bank's trust department. The Authority's deposits are also insured by the Federal Depositary Insurance Corporation up to \$250,000 per financial institution, per depositor. As of December 31, 2024, none of the Authority's total balances held in banks and financial institutions were exposed to custodial credit risk, as all were either fully insured or collateralized.

Restricted cash

Cash was restricted for the following purposes at December 31, 2024:

Replacement reserves	\$ 1,988,943
Security deposits	113,242
HCV FSS escrows	192,157
PH FSS escrows	<u>42,755</u>
Total restricted cash	<u><u>\$ 2,337,097</u></u>

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE B - DETAILED NOTES (continued)

2. Receivables, net

As of December 31, 2024, receivables, net consist of:

Due from HUD	\$ 1,079,133
Due from other governments	2,597
Due from tenants	46,596
Miscellaneous receivables	597,955
Total receivables	1,726,281
Allowance for doubtful accounts - tenants	(16,184)
	<u>\$ 1,710,097</u>

3. Capital assets, net

A summary of changes in capital assets is as follows:

	Balance 1/1/2024	Additions	Disposals	Transfers / Adjustments	Balance 12/31/2024
Land	\$ 1,825,728	\$ 7,500	\$ -	\$ -	\$ 1,833,228
Buildings	32,619,443	41,909	-	-	32,661,352
Furniture & equipment - dwellings	31,181	-	-	-	31,181
Furniture & equipment - administration	1,932,818	383,947	-	-	2,316,765
Infrastructure	7,115,702	-	-	-	7,115,702
Construction in progress	159,884	1,268,023	-	-	1,427,907
	43,684,756	1,701,379	-	-	45,386,135
Less: Accumulated depreciation	(26,118,706)	(992,591)	-	-	(27,111,297)
Total	<u>\$ 17,566,050</u>	<u>\$ 708,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,274,838</u>

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE B - DETAILED NOTES (continued)

4. Notes, accrued interest and developer fees receivable

The Authority has entered into various loans and developer agreements with related parties as described in the notes below. In addition, the Authority has other activity with related parties as described in Note B-9. HUD has provided the funding to the Authority for the development of the mixed-finance properties owned by related parties of the Authority. As funds were received by the Authority from HUD, they were loaned to the respective related parties.

When the notes are paid back they will be considered restricted program income to be used for similar project developments in the future. The following is a summary of the changes in the notes receivable for the year ended December 31, 2024:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Amounts due from related parties:				
Villas at Lake Bonnet mortgage note	\$ 1,009,877	\$ -	\$ -	\$ 1,009,877
Villas at Lake Bonnet accrued interest	833,714	75,741	-	909,455
Colton Meadow mortgage note	450,845	-	-	450,845
Colton Meadow promissory note	362,901	-	-	362,901
West Bartow CRA note	400,000	-	-	400,000
Subtotal of amounts due from related parties	<u>3,057,337</u>	<u>75,741</u>	<u>-</u>	<u>3,133,078</u>
Other notes and loans receivable:				
Second mortgages	512,094	10,599	-	522,693
Third mortgages	251,000	-	-	251,000
Subtotal of other	<u>763,094</u>	<u>10,599</u>	<u>-</u>	<u>773,693</u>
Total	<u>\$ 3,820,431</u>	<u>\$ 86,340</u>	<u>\$ -</u>	<u>\$ 3,906,771</u>

a. *Bonnet Shores, LLLP (Bonnet Shores)*

On May 27, 2010, as part of a mixed finance arrangement, the Authority has executed a mortgage note with Bonnet Shores whereby the Authority is lending the partnership a maximum of \$2,200,000 in order to enable the partnership to rehabilitate, develop and equip the Lake Bonnet Apartments. The mortgage is subordinated to a first mortgage held by a bank. The mortgage bears interest at 7.5% per annum. Commencing on July 1, 2010, and continuing on the first of each month thereafter until the date of the fourth installment of the Investment Limited Partner's capital contribution, interest only payments are to be paid. After the fourth installment, payments of interest and principal shall be paid out of available cash flow with a maturity date 30 years after the date of the fourth installment. As of December 31, 2024, there was \$909,455 of unpaid accrued interest receivable related to this mortgage.

b. *Colton Meadow, LLLP (Colton Meadow)*

On April 28, 2010, as part of a mixed finance arrangement, the Authority has executed a mortgage note with Colton Meadow whereby the Authority is lending the Partnership a maximum of \$1,113,378 in order to enable the Partnership to rehabilitate, develop and equip the Colton Meadow Villas. The mortgage bears interest at 7.5% per annum. Commencing on the first of the month following the date that Colton Meadow meets stabilization, as established by Florida Housing Finance Corporation in connection with its tax credit assistance program loan, and continuing until the maturity date, installments of principal and interest shall be due monthly in the amount of \$7,785.

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE B - DETAILED NOTES (continued)

4. Notes, accrued interest and developer fees receivable (continued)

The entire outstanding principal sum, together with all accrued and unpaid interest shall be due and payable in full on the date which is 30 years after stabilization. There was no unpaid accrued interest receivable related to this mortgage at December 31, 2024.

In addition, the Authority advanced funds to Colton Meadow in prior years to fund operations, pay debt, and fund reserves, this note is noninterest bearing with no repayment terms.

c. West Bartow LTD., LLLP (West Bartow)

On June 30, 2008, the Authority has executed a mortgage note with West Bartow whereby the Authority is lending the partnership \$400,000 in order to enable the partnership to rehabilitate, develop and equip an apartment complex called the Manor at West Bartow (the Project). The mortgage is subordinated to a fourth mortgage held by a bank. The mortgage bears interest at 0% per annum. The note is non amortizing. The note is anticipated to be forgiven on June 30, 2028, assuming all obligations under the note are satisfied and the Project has remained in compliance with the Extended Use Agreement.

In addition, the Authority has provided loans to individual homeowners as described below.

d. Second mortgages

Second mortgages were issued to assist the Authority in selling the condominiums at Magnolia Pointe and homes at Hampton Hills. The mortgages are due 30 years from the date of the mortgage and do not bear interest. The balance of the mortgage is due upon the sale of the condominium; refinancing of the first mortgage; failure to maintain the property; default on any obligations, covenants and/or agreements with the lender; or upon borrower's death (collectively a repayment event).

f. Third mortgages

Third mortgages were issued to assist the Authority in selling single family homes constructed as part of the Lake Ridge redevelopment. A portion of the mortgages are due 30 years from the date of the mortgage and do not bear interest. The balance of the mortgage is due upon the sale of the home; refinancing of any mortgage; failure to maintain the property; default on any obligations, covenants and/or agreements with the lender or upon borrower's death (collectively a repayment event). If the property is sold within the thirty year period, the Authority will share in any appreciation of the property according to a schedule included in the loan document.

5. Noncurrent liabilities

The following is a summary of the changes in noncurrent liabilities for the year ended December 31, 2024:

	Payable January 1, 2024	Additions	Payments / Adjustments	Payable December 31, 2024	Due Within One Year
Notes payable					
Mortgage payable - TD Bank, N.A	\$ 1,933,319	\$ -	\$ (44,688)	\$ 1,888,631	\$ 52,403
CRA loan	400,000	-	-	400,000	-
Total notes payable	2,333,319	-	(44,688)	2,288,631	52,403
Vehicle leases	-	257,870	-	257,870	77,472
Compensated absences	139,698	84,940	-	224,638	79,141
Family self-sufficiency escrows	377,694	-	(62,296)	315,398	-
Total noncurrent liabilities	\$ 2,850,711	\$ 342,810	\$ (106,984)	\$ 3,086,537	\$ 209,016

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE B - DETAILED NOTES (continued)

5. Noncurrent liabilities (continued)

a. Mortgage Payable - TD Bank, N.A.

During June 2020, TD Bank, N.A. and Renaissance entered into a loan agreement in the maximum principal amount of \$2,100,000. Pursuant to the terms of the loan, interest accrues at a fixed rate of 2.717% per annum. Renaissance is to make monthly payments of interest and principal of \$8,580 commencing July 15, 2020, and continuing until the maturity date, June 15, 2030, when any unpaid principal and interest are due. The TB Bank, N.A. loan is secured by the property.

As of December 31, 2024, the future principal maturities are as follows:

<u>Year-ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Mortgage Payments</u>
2025	\$ 52,403	\$ 50,557	\$ 102,960
2026	53,905	49,055	102,960
2027	55,387	47,573	102,960
2028	56,911	46,049	102,960
2029	58,477	44,483	102,960
2030	1,611,548	21,641	1,633,189
Total	<u>\$ 1,888,631</u>	<u>\$ 259,358</u>	<u>\$ 2,147,989</u>

b. CRA Loan

The CRA Loan dated June 30, 2008, was obtained from the City of Bartow by the Authority for \$400,000. The note bears no interest. The note is non-amortizing. The obligation under the loan will be paid back at the maturity date on June 30, 2028. The Authority then passed through this note to West Bartow (see Note B-4-c).

c. Vehicle Leases

The Authority has entered into non-cancelable vehicle lease agreements that expire at various dates through 2029. Monthly rental payments for these leases currently total \$6,888.

Future minimum payments for the leases are as follows:

<u>Year-ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Lease Payments</u>
2025	\$ 77,472	\$ 3,191	\$ 80,663
2026	67,164	2,221	69,385
2027	57,079	1,397	58,476
2028	30,610	711	31,321
2029	25,545	330	25,875
Total	<u>\$ 257,870</u>	<u>\$ 7,850</u>	<u>\$ 265,720</u>

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE B - DETAILED NOTES (continued)

6. Pension plan

The Authority maintains two single employer defined contribution plans for the benefit of regular full-time employees. The Plans are administered by Empower. In a defined contribution plan, benefits depend solely on amounts available in the plan. The Authority's Board of Commissioners is authorized to establish and amend plan provisions. Employees are eligible to participate in the plan after six months of employment and after attaining eighteen years of age. Vesting begins after one year of service and participants become 100% vested after five years. The Authority contributes 4% of the participants' earnings to the plan. The Authority contributed \$348,182 during the year ended December 31, 2024.

7. Risk management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and other general liability issues. The Authority is insured through the Florida Housing Authorities Risk Management Insureds (FHARMI), a public risk pool currently operating as a common risk management and insurance program. The Authority pays an annual premium to FHARMI for general insurance coverage. The agreement for the formation of FHARMI provides that it will be self-sustaining through member premiums and will reinsure through commercial companies. In addition, the Authority carries commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. There were no significant reductions of insurance coverage from prior years and settlements did not exceed insurance coverage for each of the past three years.

8. Commitments and contingencies

a. Legal

Generally, the Authority is party to various pending or threatened legal actions arising in the normal course of operations. Although the outcome of these actions is not presently determinable, it is the Authority's opinion that any ultimate liability is not expected to have a material adverse effect on the Authority's financial position.

b. Grants and contracts

The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. As of the date of this report, management is not aware of any such examinations.

c. Funds awarded

The Authority receives funding from HUD through grants and programs to help subsidize the cost of project repairs, improvements and certain operating costs.

d. Guarantee

On March 21, 2018, the Authority guaranteed the note payable of West Lake I, Ltd, a related party that owns and operates Twin Lake Estates in order for the affiliate to obtain an AHP Loan from the Federal Home Loan Bank in the amount of \$1,200,000. In 2019, the amount of this guarantee as well as the related loan was amended to \$1,000,000 during permanent financing.

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE B - DETAILED NOTES (continued)

9. Related parties

The Authority provides all operational and administrative support to several related organizations on a cost reimbursement basis (see Note A-1), as well as funding certain operational and development shortfalls of these entities. As of December 31, 2024 the Authority is reporting several receivables and a payable to related parties as described in Note A-1. The Authority has signed mortgage notes, promissory notes and developer agreements with certain related parties as described in Note B-4.

10. Concentrations

For the year ended December 31, 2024, approximately 85% of all revenues are from HUD.

The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies including, but not limited to HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress, or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs and the additional administrative burden to comply with the changes.

11. Financial data schedule

As required by HUD, the Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The schedule's format presents certain operating items as nonoperating, such as: depreciation expense, housing assistance payments and extraordinary maintenance expense. In addition, the schedule's format includes non-operating items as operating, such as: investment revenue, HUD capital grant revenue, interest expense, and gains and losses on the disposal of capital assets. Furthermore, the schedule reflects tenant revenue and bad debt expense separately.

12. Subsequent events

Management has evaluated subsequent events through September 30, 2025, the date the financial statements were available to be issued and noted no additional material events occurred that would require disclosure.

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE B - DETAILED NOTES (continued)

13. Condensed blended component unit information

Condensed component unit information for the Authority's blended component units as listed in Note A-1 is presented below:

Condensed Statement of Net Position

	West Lake Management, LLC	PCHD	LPHC and Subsidiaries	Other Blended Component Units
ASSETS				
Current assets	\$ 158,292	\$ 387,793	\$ 1,882,404	\$ 80,008
Capital assets, net	10,115	-	14,244,489	30,000
Noncurrent assets	-	1,137,968	1,252,049	12,366
Total assets	<u>168,407</u>	<u>1,525,761</u>	<u>17,378,942</u>	<u>122,374</u>
LIABILITIES				
Current liabilities	823,934	2,990	3,391,858	438,624
Noncurrent liabilities	24,777	5,553	3,384,550	-
Total liabilities	<u>848,711</u>	<u>8,543</u>	<u>6,776,408</u>	<u>438,624</u>
NET POSITION				
Net investment in capital assets	10,115	-	11,955,858	30,000
Restricted	-	-	1,908,457	-
Unrestricted	(690,419)	1,517,218	(3,261,781)	(346,250)
Total net position	<u>\$ (680,304)</u>	<u>\$ 1,517,218</u>	<u>\$ 10,602,534</u>	<u>\$ (316,250)</u>

Condensed Statement of Revenues, Expenses and Changes in Net Position

	West Lake Management, LLC	PCHD	LPHC and Subsidiaries	Other Blended Component Units
Operating Revenues				
Management fees	\$ 489,264	\$ -	\$ -	\$ -
Tenant revenue	-	-	2,165,593	-
Other operating revenue	564,916	-	239,996	-
Total revenue	<u>1,054,180</u>	<u>-</u>	<u>2,405,589</u>	<u>-</u>
Operating Expenses				
Operating expenses	1,270,467	298	2,453,277	124,532
Depreciation	13,327	-	813,956	12,790
Total operating expenses	<u>1,283,794</u>	<u>298</u>	<u>3,267,233</u>	<u>137,322</u>
Operating Income (Loss)	<u>(229,614)</u>	<u>(298)</u>	<u>(861,644)</u>	<u>(137,322)</u>
Nonoperating Revenues (Expenses)				
Interest income	1,075	67,240	47,269	9
Interest expense	-	-	(111,099)	-
Total nonoperating revenues (expenses)	<u>1,075</u>	<u>67,240</u>	<u>(63,830)</u>	<u>9</u>
Operating Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138,310)</u>
Change in Net Position	<u>(228,539)</u>	<u>66,942</u>	<u>(925,474)</u>	<u>(275,623)</u>
Total Net Position - beginning of year	(451,765)	1,450,276	11,528,008	(40,627)
Total Net Position - end of year	<u>\$ (680,304)</u>	<u>\$ 1,517,218</u>	<u>\$ 10,602,534</u>	<u>\$ (316,250)</u>

LAKELAND HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE B - DETAILED NOTES (continued)

13. Condensed blended component unit information (continued)

Condensed Statement of Cash Flows

	West Lake Management, LLC	PCHD	LPHC and Subsidiaries	Other Blended Component Units
Net Cash Provided/(Used) by:				
Operating activities	\$ 52,239	\$ 5,549	\$ 213,056	\$ (27,956)
Capital and related financing activities	-	-	(40,748)	-
Investing activities	1,075	-	(212,213)	9
Net Increase/(Decrease) in Cash	53,314	5,549	(39,905)	(27,947)
Cash - beginning of year	73,565	247,890	1,901,369	82,209
Cash - end of year	<u>\$ 126,879</u>	<u>\$ 253,439</u>	<u>\$ 1,861,464</u>	<u>\$ 54,262</u>

SUPPLEMENTARY INFORMATION

LAKELAND HOUSING AUTHORITY
Lakeland, Florida
FINANCIAL DATA SUBMISSION SUMMARY NET POSITION ACCOUNTS

December 31, 2024

ASSETS

<u>Account Description</u>		Low Rent Project Total 14.850	Housing Choice Vouchers 14.871	EFA FSS Forfeiture Account 14.EFA	Blended Component Unit	Family Self- Sufficiency Program 14.896	Business Activities	Mainstream Vouchers 14.879	Resident Opportunity Supportive Services 14.870	Emergency Housing Vouchers 14.EHV
ASSETS:										
CURRENT ASSETS:										
Cash:										
111	Cash - unrestricted	\$ 754,258	\$ 152,419	\$ -	\$ 214,441	\$ 16,556	\$ 1,865,924	\$ -	\$ -	\$ -
113	Cash - restricted	42,755	192,157	-	1,988,943	-	-	-	-	-
114	Cash - tenant security deposits	19,632	-	-	92,660	-	950	-	-	-
100	Total Cash	816,645	344,576	-	2,296,044	16,556	1,866,874	-	-	-
Accounts and notes receivables:										
122	Accounts receivable - HUD	1,071,611	-	-	801	-	-	-	38	-
124	Accounts receivable - other government	-	-	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	514	369,706	-	112,679	3,055	3,596	17,830	-	60,949
126	Accounts receivable - tenants	5,440	-	-	40,235	-	921	-	-	-
126.1	Allowance for doubtful accounts-tenants	-	-	-	(16,184)	-	-	-	-	-
120	Total receivables - net	1,077,565	369,706	-	137,531	3,055	4,517	17,830	38	60,949
142	Prepaid expenses and other assets	155,571	-	-	74,922	-	-	-	-	-
144	Interprogram due from	64,456	-	-	-	-	4,667,149	85,433	-	245,971
150	TOTAL CURRENT ASSETS	2,114,237	714,282	-	2,508,497	19,611	6,538,540	103,263	38	306,920
NONCURRENT ASSETS:										
Capital Assets:										
161	Land	1,466,869	-	-	64,672	-	301,687	-	-	-
162	Buildings	6,345,378	-	-	26,267,770	-	42,424	-	-	-
163	Furniture & equipment- Dwellings	26,718	-	-	4,463	-	-	-	-	-
164	Furniture & equipment - Administration	874,659	-	-	994,933	-	-	-	-	-
167	Construction in Progress	1,427,907	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(11,470,493)	-	-	(15,429,590)	-	(42,424)	-	-	-
168	Infrastructure	4,646,846	-	-	2,382,356	-	86,500	-	-	-
160	Total capital assets - net	3,317,884	-	-	14,284,604	-	388,187	-	-	-
171	Notes receivable - noncurrent	4,646,155	-	-	1,065,901	-	482,580	-	-	-
174	Other assets	-	-	-	1,336,482	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	7,964,039	-	-	16,686,987	-	870,767	-	-	-
190	TOTAL ASSETS	\$ 10,078,276	\$ 714,282	\$ -	\$ 19,195,484	\$ 19,611	\$ 7,409,307	\$ 103,263	\$ 38	\$ 306,920

LAKELAND HOUSING AUTHORITY
Lakeland, Florida
FINANCIAL DATA SUBMISSION SUMMARY NET POSITION ACCOUNTS

December 31, 2024

ASSETS

	MTW Demonstration Program 14.881	Youthbuild Program 14.274	MTW Demonstration Low Rent 14.OPS	MTW Demonstration Capital Fund 14.CFP	MTW Demonstration HCV 14.HCV	COCC	SUB-TOTAL	ELIMINATIONS	TOTAL
<u>Account Description</u>									
ASSETS:									
CURRENT ASSETS:									
Cash:									
111 Cash - unrestricted	\$ -	\$ 19,510	\$ -	\$ -	\$ -	\$ -	\$ 3,023,108	\$ -	\$ 3,023,108
113 Cash - restricted	-	-	-	-	-	-	2,223,855	-	2,223,855
114 Cash - tenant security deposits	-	-	-	-	-	-	113,242	-	113,242
100 Total Cash	-	19,510	-	-	-	-	5,360,205	-	5,360,205
Accounts and notes receivables:									
122 Accounts receivable - HUD	-	-	-	-	-	6,683	1,079,133	-	1,079,133
124 Accounts receivable - other government	2,597	-	-	-	-	-	2,597	-	2,597
125 Accounts receivable - miscellaneous	26,622	-	-	-	-	3,004	597,955	-	597,955
126 Accounts receivable - tenants	-	-	-	-	-	-	46,596	-	46,596
126.1 Allowance for doubtful accounts-tenants	-	-	-	-	-	-	(16,184)	-	(16,184)
120 Total receivables - net	29,219	-	-	-	-	9,687	1,710,097	-	1,710,097
142 Prepaid expenses and other assets	60,412	-	-	-	-	4,215	295,120	-	295,120
144 Interprogram due from	-	-	-	-	-	-	5,063,009	(5,063,009)	-
150 TOTAL CURRENT ASSETS	89,631	19,510	-	-	-	13,902	12,428,431	(5,063,009)	7,365,422
NONCURRENT ASSETS:									
Capital Assets:									
161 Land	-	-	-	-	-	-	1,833,228	-	1,833,228
162 Buildings	-	5,780	-	-	-	-	32,661,352	-	32,661,352
163 Furniture & equipment- Dwellings	-	-	-	-	-	-	31,181	-	31,181
164 Furniture & equipment - Administration	47,639	21,299	-	-	-	378,235	2,316,765	-	2,316,765
167 Construction in Progress	-	-	-	-	-	-	1,427,907	-	1,427,907
166 Accumulated depreciation	(44,767)	(21,299)	-	-	-	(102,724)	(27,111,297)	-	(27,111,297)
168 Infrastructure	-	-	-	-	-	-	7,115,702	-	7,115,702
160 Total capital assets - net	2,872	5,780	-	-	-	275,511	18,274,838	-	18,274,838
171 Notes receivable - noncurrent	-	-	-	-	-	-	6,194,636	(2,287,865)	3,906,771
174 Other assets	-	-	-	-	-	-	1,336,482	-	1,336,482
180 TOTAL NONCURRENT ASSETS	2,872	5,780	-	-	-	275,511	25,805,956	(2,287,865)	23,518,091
190 TOTAL ASSETS	\$ 92,503	\$ 25,290	\$ -	\$ -	\$ -	\$ 289,413	\$ 38,234,387	\$ (7,350,874)	\$ 30,883,513

LAKELAND HOUSING AUTHORITY
Lakeland, Florida
FINANCIAL DATA SUBMISSION SUMMARY NET POSITION ACCOUNTS

December 31, 2024

LIABILITIES AND NET POSITION

<u>Account Description</u>	Low Rent Project Total 14.850	Housing Choice Vouchers 14.871	EFA FSS Forfeiture Account 14.EFA	Blended Component Unit	Family Self- Sufficiency Program 14.896	Business Activities	Mainstream Vouchers 14.879	Resident Opportunity Supportive Services 14.870	Emergency Housing Vouchers 14.EHV
LIABILITIES:									
CURRENT LIABILITIES									
312 Accounts payable < 90 days	\$ 1,067,633	\$ -	\$ -	\$ 107,406	\$ -	\$ 435	\$ -	\$ -	\$ -
321 Accrued salaries/payroll withholding	13,923	-	-	92,766	-	-	-	3,039	837
322 Accrued compensated absences	2,494	-	-	22,948	-	-	837	-	-
325 Accrued interest payable	-	-	-	929,390	-	-	-	-	-
333 Accounts payable - other gov.	-	-	-	4	-	-	-	-	-
341 Tenant security deposits	19,632	300	-	92,660	-	950	-	-	-
342 Unearned revenue	141,150	721	-	111,866	-	305	5	-	23,142
343 Current portion of L-T debt - capital	-	-	-	52,403	-	-	-	-	-
344 Current portion of L-T debt - operating	-	-	-	-	-	-	-	-	-
345 Other current liabilities	-	-	-	-	-	33,241	-	-	-
346 Accrued Liabilities - Other	70,735	-	-	1,390	-	-	-	-	-
347 Interprogram (due to)	-	1,967	-	3,246,573	31,300	-	-	33,952	-
310 TOTAL CURRENT LIABILITIES	<u>1,315,567</u>	<u>2,988</u>	<u>-</u>	<u>4,657,406</u>	<u>31,300</u>	<u>34,931</u>	<u>842</u>	<u>36,991</u>	<u>23,979</u>
NONCURRENT LIABILITIES									
351 Long-term debt, net of current - capital	-	-	-	2,236,228	-	-	-	-	-
354 Accrued comp. Absences - long term	4,632	-	-	42,691	-	-	-	-	-
355 Loan liability - non current	303,000	-	-	1,055,475	-	-	-	-	-
353 Noncurrent liabilities - other	<u>42,755</u>	<u>192,157</u>	<u>-</u>	<u>80,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
350 TOTAL NONCURRENT LIABILITIES	<u>350,387</u>	<u>192,157</u>	<u>-</u>	<u>3,414,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,665,954</u>	<u>195,145</u>	<u>-</u>	<u>8,072,286</u>	<u>31,300</u>	<u>34,931</u>	<u>842</u>	<u>36,991</u>	<u>23,979</u>
400 Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-
NET POSITION:									
508.4 Investment in Capital Assets	3,317,884	-	-	11,995,973	-	388,187	-	-	-
511.1 Restricted Net Position	-	-	-	1,908,457	-	-	-	-	-
512.4 Unrestricted Net Position	<u>5,094,438</u>	<u>519,137</u>	<u>-</u>	<u>(2,781,232)</u>	<u>(11,689)</u>	<u>6,986,189</u>	<u>102,421</u>	<u>(36,953)</u>	<u>282,941</u>
TOTAL NET POSITION	<u>8,412,322</u>	<u>519,137</u>	<u>-</u>	<u>11,123,198</u>	<u>(11,689)</u>	<u>7,374,376</u>	<u>102,421</u>	<u>(36,953)</u>	<u>282,941</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 10,078,276</u>	<u>\$ 714,282</u>	<u>\$ -</u>	<u>\$ 19,195,484</u>	<u>\$ 19,611</u>	<u>\$ 7,409,307</u>	<u>\$ 103,263</u>	<u>\$ 38</u>	<u>\$ 306,920</u>
	-	-	-	-	-	-	-	-	-

LAKELAND HOUSING AUTHORITY
Lakeland, Florida
FINANCIAL DATA SUBMISSION SUMMARY NET POSITION ACCOUNTS

December 31, 2024

LIABILITIES AND NET POSITION

<u>Account Description</u>		MTW Demonstration Program 14.881	Youthbuild Program 14.274	MTW Demonstration Low Rent 14.OPS	MTW Demonstration Capital Fund 14.CFP	MTW Demonstration HCV 14.HCV	COCC	SUB-TOTAL	ELIMINATIONS	TOTAL
LIABILITIES:										
CURRENT LIABILITIES										
312	Accounts payable < 90 days	\$ -	\$ 3,014	\$ -	\$ -	\$ -	\$ 6,278	\$ 1,184,766	\$ -	\$ 1,184,766
321	Accrued salaries/payroll withholding	38,131	21,360	-	-	-	93,248	263,304	-	263,304
322	Accrued compensated absences	4,932	2,002	-	-	-	45,928	79,141	-	79,141
325	Accrued interest payable	-	-	-	-	-	-	929,390	(929,390)	-
333	Accounts payable - other gov.	20,933	-	-	-	-	-	20,937	-	20,937
341	Tenant security deposits	-	-	-	-	-	-	113,542	-	113,542
342	Unearned revenue	13,906	3,972	-	-	-	-	295,067	-	295,067
343	Current portion of L-T debt - capital	-	-	-	-	-	77,472	129,875	-	129,875
344	Current portion of L-T debt - operating	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	33,241	-	33,241
346	Accrued Liabilities - Other	-	-	-	-	-	65,458	137,583	-	137,583
347	Interprogram (due to)	492,468	384,756	-	-	-	871,993	5,063,009	(5,063,009)	-
310	TOTAL CURRENT LIABILITIES	570,370	415,104	-	-	-	1,160,377	8,249,855	(5,992,399)	2,257,456
NONCURRENT LIABILITIES										
351	Long-term debt, net of current - capital	-	-	-	-	-	180,398	2,416,626	-	2,416,626
354	Accrued comp. Absences - long term	9,160	3,719	-	-	-	85,295	145,497	-	145,497
355	Loan liability - non current	-	-	-	-	-	-	1,358,475	(1,358,475)	-
353	Noncurrent liabilities - other	-	-	-	-	-	-	315,398	-	315,398
350	TOTAL NONCURRENT LIABILITIES	9,160	3,719	-	-	-	265,693	4,235,996	(1,358,475)	2,877,521
TOTAL LIABILITIES		579,530	418,823	-	-	-	1,426,070	12,485,851	(7,350,874)	5,134,977
400 Deferred Inflow of Resources		-	-	-	-	-	-	-	-	-
NET POSITION:										
508.4	Investment in Capital Assets	2,872	5,780	-	-	-	17,641	15,728,337	-	15,728,337
511.1	Restricted Net Position	-	-	-	-	-	-	1,908,457	-	1,908,457
512.4	Unrestricted Net Position	(489,899)	(399,313)	-	-	-	(1,154,298)	8,111,742	-	8,111,742
TOTAL NET POSITION		(487,027)	(393,533)	-	-	-	(1,136,657)	25,748,536	-	25,748,536
TOTAL LIABILITIES AND NET POSITION		\$ 92,503	\$ 25,290	\$ -	\$ -	\$ -	\$ 289,413	\$ 38,234,387	\$ (7,350,874)	\$ 30,883,513
		-	-	-	-	-	-	-	-	-

LAKELAND HOUSING AUTHORITY
Lakeland, Florida
FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION ACCOUNTS

Account Description	Year ended December 31, 2024								
	Low Rent	Housing Choice	EFA FSS	Blended	Family Self-	Business	Mainstream	Resident	Emergency
	Project Total	Vouchers	Forfeiture	Component	Sufficiency		Vouchers	Opportunity	Housing
	14.850	14.871	14.EFA	Unit	14.896	Activities	14.879	14.870	14.EHV
REVENUES:									
70300 Net resident rental revenue	\$ 180,634	\$ -	\$ -	\$ 2,163,425	\$ -	\$ 12,888	\$ -	\$ -	\$ -
70400 Resident revenue - other	-	-	-	2,168	-	-	-	-	-
Total resident revenue	180,634	-	-	2,165,593	-	12,888	-	-	-
70600 HUD PHA grants - operating	-	4,854,681	-	-	133,084	-	807,229	57,083	816,012
70610 HUD PHA grants - capital	-	-	-	-	-	-	-	-	-
70710 Management fee	-	-	-	-	-	-	-	-	-
70720 Asset management fee	-	-	-	-	-	-	-	-	-
70730 Bookkeeping fee	-	-	-	-	-	-	-	-	-
70800 Other government grants	-	-	-	-	-	-	-	-	-
71100 Investment income - unrestricted	115,072	-	-	115,593	-	75,081	-	-	-
71200 Mortgage interest income	40,731	-	-	-	-	-	-	-	-
71500 Other revenue	11,025	8,091	-	1,294,176	11,433	-	-	-	-
TOTAL REVENUES	\$ 347,462	\$ 4,862,772	\$ -	\$ 3,575,362	\$ 144,517	\$ 87,969	\$ 807,229	\$ 57,083	\$ 816,012
EXPENSES:									
Administrative									
91100 Administrative salaries	\$ 97,360	-	-	382,441	-	-	16,203	-	40,355
91200 Auditing fees	15,984	-	-	67,753	-	-	-	-	-
91300 Management fees	140,613	-	-	225,807	-	-	-	-	-
91310 Bookkeeping fees	4,650	-	-	21,998	-	-	-	-	-
91400 Advertising & marketing	47	-	-	4,563	-	-	-	-	-
91500 Employee benefits - administrative	34,257	-	-	86,132	-	-	6,178	-	12,888
91600 Office expense	98,665	-	-	194,698	105	5,621	-	-	-
91700 Legal expense	12,739	-	-	32,975	395	3,624	-	332	-
91800 Travel expense	11,130	-	-	41,123	-	3,295	-	-	-
91900 Other operating - administrative	6,180	-	-	85,632	-	11,730	275	4,750	7,183
Total Administrative Expense	421,625	-	-	1,143,122	500	24,270	22,656	5,082	60,426
92000 Asset management fee	-	-	-	23,853	-	-	-	-	-
Tenant services									
92100 Tenant services - salaries	-	-	-	-	110,035	-	-	58,347	-
92300 Employee benefits - resident services	-	-	-	-	35,652	-	-	9,869	-
92400 Other resident services	57	-	-	1,635	-	-	-	-	-
Total Resident Services	57	-	-	1,635	145,687	-	-	68,216	-
Utilities									
93100 Water	21,837	-	-	30,445	-	-	-	-	-
93200 Electricity	25,418	-	-	56,051	-	-	-	-	-
93600 Sewer	34,585	-	-	56,704	-	-	-	-	-
93800 Other utilities	75,495	-	-	41,679	-	-	-	-	-
Total Utilities Expense	157,335	-	-	184,879	-	-	-	-	-
Ordinary Maintenance & Operation									
94100 Labor	52,045	-	-	844,563	-	-	-	-	-
94200 Materials	33,278	-	-	179,964	-	-	-	-	-
94300 Contracts	422,880	-	-	512,205	-	75,895	-	-	-
94500 Employee benefit contributions	26,470	-	-	260,925	-	-	-	-	-
Total Ordinary Maintenance & Operation	534,673	-	-	1,797,657	-	75,895	-	-	-

LAKELAND HOUSING AUTHORITY
Lakeland, Florida
FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION ACCOUNTS

Year ended December 31, 2024

<u>Account Description</u>	MTW Demonstration Program 14.881	Youthbuild Program 14.274	MTW Demonstration Low Rent 14.OPS	MTW Demonstration Capital Fund 14.CFP	MTW Demonstration HCV 14.HCV	COCC	SUB-TOTAL	ELIMINATIONS	TOTAL
REVENUES:									
70300 Net resident rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,356,947	\$ -	\$ 2,356,947
70400 Resident revenue - other	-	-	-	-	-	-	2,168	-	2,168
Total resident revenue	-	-	-	-	-	-	2,359,115	-	2,359,115
70600 HUD PHA grants - operating	-	-	1,134,181	1,368,877	12,797,968	-	21,969,115	-	21,969,115
70610 HUD PHA grants - capital	-	-	-	1,268,023	-	-	1,268,023	-	1,268,023
70710 Management fee	-	-	-	-	-	572,208	572,208	(572,208)	-
70720 Asset management fee	-	-	-	-	-	23,853	23,853	(23,853)	-
70730 Bookkeeping fee	-	-	-	-	-	155,266	155,266	(155,266)	-
70800 Other government grants	-	430,180	-	-	-	-	430,180	-	430,180
71100 Investment income - unrestricted	1,863	101	-	-	-	249	307,959	(58,759)	249,200
71200 Mortgage interest income	-	-	-	-	-	-	40,731	-	40,731
71500 Other revenue	63,970	5,001	-	-	-	82,398	1,476,094	-	1,476,094
TOTAL REVENUES	\$ 65,833	\$ 435,282	\$ 1,134,181	\$ 2,636,900	\$ 12,797,968	\$ 833,974	28,602,544	(810,086)	27,792,458
EXPENSES:									
Administrative									
91100 Administrative salaries	449,919	317,198	-	-	-	777,279	2,080,755	-	2,080,755
91200 Auditing fees	-	-	-	-	-	-	83,737	-	83,737
91300 Management fees	205,788	-	-	-	-	-	572,208	(572,208)	-
91310 Bookkeeping fees	128,618	-	-	-	-	-	155,266	(155,266)	-
91400 Advertising & marketing	69	-	-	-	-	422	5,101	-	5,101
91500 Employee benefits - administrative	107,153	97,832	-	-	-	171,660	516,100	-	516,100
91600 Office expense	114,431	14,975	-	-	-	74,181	502,676	-	502,676
91700 Legal expense	20,673	915	-	-	-	19,651	91,304	-	91,304
91800 Travel expense	45,633	62,771	-	-	-	39,607	203,559	-	203,559
91900 Other operating - administrative	40,571	16,205	-	-	-	35,357	207,883	-	207,883
Total Administrative Expense	1,112,855	509,896	-	-	-	1,118,157	4,418,589	(727,474)	3,691,115
92000 Asset management fee	-	-	-	-	-	-	23,853	(23,853)	-
Tenant services									
92100 Tenant services - salaries	-	178,779	-	-	-	-	347,161	-	347,161
92300 Employee benefits - resident services	1,646	22,466	-	-	-	-	69,633	-	69,633
92400 Other resident services	43	-	-	-	-	-	1,735	-	1,735
Total Resident Services	1,689	201,245	-	-	-	-	418,529	-	418,529
Utilities									
93100 Water	-	-	-	-	-	-	52,282	-	52,282
93200 Electricity	-	-	-	-	-	-	81,469	-	81,469
93600 Sewer	-	-	-	-	-	-	91,289	-	91,289
93800 Other utilities	-	-	-	-	-	4,911	122,085	-	122,085
Total Utilities Expense	-	-	-	-	-	4,911	347,125	-	347,125
Ordinary Maintenance & Operation									
94100 Labor	-	-	-	-	-	-	896,608	-	896,608
94200 Materials	17,165	6,694	-	-	-	11,299	248,400	-	248,400
94300 Contracts	5,596	722	-	-	-	4,212	1,021,510	-	1,021,510
94500 Employee benefit contributions	-	-	-	-	-	-	287,395	-	287,395
Total Ordinary Maintenance & Operation	22,761	7,416	-	-	-	15,511	2,453,913	-	2,453,913

LAKELAND HOUSING AUTHORITY
Lakeland, Florida
FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION ACCOUNTS

Year ended December 31, 2024										
		Low Rent	Housing Choice	EFA FSS	Blended	Family Self-		Mainstream	Resident	Emergency
		Project Total	Vouchers	Forfeiture	Component	Sufficiency		Vouchers	Opportunity	Housing
Account Description		14.850	14.871	Account	Unit	Program	Business		Supportive Services	Vouchers
		14.EFA				14.896	Activities	14.879	14.870	14.EHV
Insurance Expenses										
96110	Property insurance	163,343	-	-	291,273	-	-	-	-	-
96120	Liability insurance	22,788	-	-	9,258	-	-	-	-	-
96130	Workmen's compensation	5,060	-	-	41,113	-	-	411	-	1,290
Total Insurance Expense		191,191	-	-	341,644	-	-	411	-	1,290
96200	Other general expense	679,175	-	-	43,463	-	508	-	-	8,655
96210	Compensated absences	8,477	-	-	37,047	3,093	-	-	-	-
96400	Bad debt - tenant rents	-	-	-	20,381	-	575	-	-	-
Total General Expenses		687,652	-	-	291,917	3,093	1,083	-	-	8,655
Financial Expenses										
96710	Interest expense - Mortgage Payable	-	-	-	93,071	-	-	-	-	-
96720	Interest expense - Notes Payable	-	-	-	18,028	-	-	-	-	-
Total Financial Expenses		-	-	-	111,099	-	-	-	-	-
TOTAL OPERATING EXPENSE		1,992,533	-	-	3,895,806	149,280	101,248	23,067	73,298	70,371
EXCESS OPERATING REVENUE		(1,645,071)	4,862,772	-	(320,444)	(4,763)	(13,279)	784,162	(16,215)	745,641
Other Expenses										
97300	Housing assistance payments	13,228	4,854,681	-	63,867	-	-	735,504	-	751,472
97400	Depreciation expense	93,594	-	-	840,073	-	4,242	-	-	-
Total Other Expenses		106,822	4,854,681	-	903,940	-	4,242	735,504	-	751,472
TOTAL EXPENSES		2,099,355	4,854,681	-	4,799,746	149,280	105,490	758,571	73,298	821,843
EXCESS OF REVENUE OVER EXPENSES		(1,751,893)	8,091	-	(1,224,384)	(4,763)	(17,521)	48,658	(16,215)	(5,831)
10010	Operating Transfer In	1,272,798	200,495	-	-	-	-	64,963	-	72,362
10020	Operating Transfer Out	(369,033)	-	-	(138,310)	-	-	-	-	-
10093	Transfers between programs - in	2,721,524	-	-	-	-	-	-	-	-
10094	Transfers between programs - out	-	-	-	-	-	-	-	-	-
Beginning Net Position		6,538,926	310,551	-	12,485,892	(6,926)	7,391,897	(11,200)	(20,738)	216,410
Ending Net Position		\$ 8,412,322	\$ 519,137	\$ -	\$ 11,123,198	\$ (11,689)	\$ 7,374,376	\$ 102,421	\$ (36,953)	\$ 282,941

LAKELAND HOUSING AUTHORITY
Lakeland, Florida
FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION ACCOUNTS

Year ended December 31, 2024

Account Description	MTW Demonstration Program 14.881	Youthbuild Program 14.274	MTW Demonstration Low Rent 14.OPS	MTW Demonstration Capital Fund 14.CFP	MTW Demonstration HCV 14.HCV	COCC	SUB-TOTAL	ELIMINATIONS	TOTAL
Insurance Expenses									
96110 Property insurance	40,996	11,639	-	-	-	9,221	516,472	-	516,472
96120 Liability insurance	500	702	-	-	-	1,994	35,242	-	35,242
96130 Workmen's compensation	13,207	9,373	-	-	-	20,470	90,924	-	90,924
Total Insurance Expense	54,703	21,714	-	-	-	31,685	642,638	-	642,638
96200 Other general expense	-	-	-	-	-	151,635	883,436	-	883,436
96210 Compensated absences	1,682	5,721	-	-	-	(19,986)	36,034	-	36,034
96400 Bad debt - tenant rents	-	-	-	-	-	-	20,956	-	20,956
Total General Expenses	1,682	5,721	-	-	-	131,649	1,131,452	-	1,131,452
Financial Expenses									
96710 Interest expense - Mortgage Payable	-	-	-	-	-	1,016	94,087	(40,731)	53,356
96720 Interest expense - Notes Payable	-	-	-	-	-	-	18,028	(18,028)	-
Total Financial Expenses	-	-	-	-	-	1,016	112,115	(58,759)	53,356
TOTAL OPERATING EXPENSE	1,193,690	745,992	-	-	-	1,302,929	9,548,214	(810,086)	8,738,128
EXCESS OPERATING REVENUE	(1,127,857)	(310,710)	1,134,181	2,636,900	12,797,968	(468,955)	19,054,330	-	19,054,330
Other Expenses									
97300 Housing assistance payments	11,869,878	-	-	-	-	-	18,288,630	-	18,288,630
97400 Depreciation expense	-	-	-	-	-	54,682	992,591	-	992,591
Total Other Expenses	11,869,878	-	-	-	-	54,682	19,281,221	-	19,281,221
TOTAL EXPENSES	13,063,568	745,992	-	-	-	1,357,611	28,829,435	(810,086)	28,019,349
EXCESS OF REVENUE OVER EXPENSES	(12,997,735)	(310,710)	1,134,181	2,636,900	12,797,968	(523,637)	(226,891)	-	(226,891)
10010 Operating Transfer In	15,541,059	-	-	-	-	55,000	17,206,677	-	17,206,677
10020 Operating Transfer Out	(130,285)	-	(1,134,181)	(2,636,900)	(12,797,968)	-	(17,206,677)	-	(17,206,677)
10093 Transfers between programs - in	-	-	-	-	-	-	2,721,524	-	2,721,524
10094 Transfers between programs - out	(2,721,524)	-	-	-	-	-	(2,721,524)	-	(2,721,524)
Beginning Net Position	(178,542)	(82,823)	-	-	-	(668,020)	25,975,427	-	25,975,427
Ending Net Position	\$ (487,027)	\$ (393,533)	\$ -	\$ -	\$ -	\$ (1,136,657)	\$ 25,748,536	\$ -	\$ 25,748,536

LAKELAND HOUSING AUTHORITY
SCHEDULE OF PROGRAM COSTS AND ADVANCES
Year ended December 31, 2024

Program	FL29P011	FL29P011	FL29P011	FL29P011	FL29P011	FL29P011	
Budget	501-19	501-20	501-21	501-22	501-23	501-24	Total
	<u>\$ 971,182</u>	<u>\$ 1,115,701</u>	<u>\$ 1,088,977</u>	<u>\$ 892,964</u>	<u>\$ 932,646</u>	<u>\$ 970,310</u>	<u>\$ 5,971,780</u>
Advances							
Cash receipts - Prior Years	\$ 291,354	\$ -	\$ 596,429	\$ -	\$ -	\$ -	\$ 887,783
Cash receipts - Current Year	450,561	334,710	489,534	312,537	-	-	1,587,342
Cumulative as of December 31, 2024	<u>741,915</u>	<u>334,710</u>	<u>1,085,963</u>	<u>312,537</u>	<u>-</u>	<u>-</u>	<u>2,475,125</u>
Costs							
Prior Years	291,354	-	596,429	-	-	-	887,783
Current Year	638,682	645,989	489,534	666,592	196,103	-	2,636,900
Cumulative as of December 31, 2024	<u>930,036</u>	<u>645,989</u>	<u>1,085,963</u>	<u>666,592</u>	<u>196,103</u>	<u>-</u>	<u>3,524,683</u>
Excess (Deficiency) of							
Advances Due to (From) HUD	<u>\$ (188,121)</u>	<u>\$ (311,279)</u>	<u>\$ -</u>	<u>\$ (354,055)</u>	<u>\$ (196,103)</u>	<u>\$ -</u>	<u>\$ (1,049,558)</u>
Soft Costs							
Prior Years	\$ 291,354	\$ -	\$ 393,934	\$ -	\$ -	\$ -	\$ 685,288
Current Year	232,096	334,710	489,534	312,537	-	-	1,368,877
Cumulative as of December 31, 2024	<u>523,450</u>	<u>334,710</u>	<u>883,468</u>	<u>312,537</u>	<u>-</u>	<u>-</u>	<u>2,054,165</u>
Hard Costs							
Prior Years	-	-	202,495	-	-	-	202,495
Current Year	406,586	311,279	-	354,055	196,103	-	1,268,023
Cumulative as of December 31, 2024	<u>406,586</u>	<u>311,279</u>	<u>202,495</u>	<u>354,055</u>	<u>196,103</u>	<u>-</u>	<u>1,470,518</u>
Cumulative Hard and Soft Costs	<u>\$ 930,036</u>	<u>\$ 645,989</u>	<u>\$ 1,085,963</u>	<u>\$ 666,592</u>	<u>\$ 196,103</u>	<u>\$ -</u>	<u>\$ 3,524,683</u>
Remaining Grant Balance as of December 31, 2024	<u>\$ 41,146</u>	<u>\$ 469,712</u>	<u>\$ 3,014</u>	<u>\$ 226,372</u>	<u>\$ 736,543</u>	<u>\$ 970,310</u>	<u>\$ 2,447,097</u>



RUBINO

**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***

Board of Commissioners
Lakeland Housing Authority
Lakeland, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Lakeland Housing Authority (the Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 30, 2025.

Report on 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

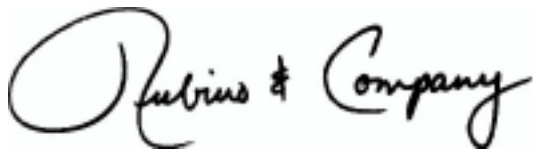
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on 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 financial statements. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Rubins & Company". The signature is written in black ink and is positioned to the left of a vertical line.

Bethesda, Maryland
September 30, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

Board of Commissioners
Lakeland Housing Authority
Lakeland, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lakeland Housing Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2024. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

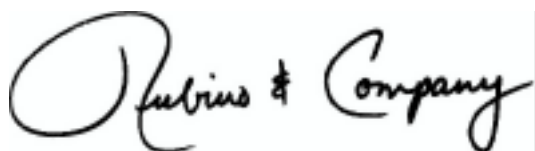
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style. The word "Rubins" is followed by an ampersand "&" and then the word "Company". The signature is positioned to the left of a vertical line.

Bethesda, Maryland
September 30, 2025

LAKELAND HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2024

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development (HUD):			
Moving to Work Demonstration Program	14.881	N/A	\$ 16,569,049
Housing Voucher Cluster:			
Housing Choice Vouchers	14.871	N/A	4,854,681
Emergency Housing Vouchers	14.EHV	N/A	816,012
Mainstream Vouchers	14.879	N/A	807,229
			<u>6,477,922</u>
Resident Opportunity and Supportive Services	14.870	N/A	57,083
Family Self-Sufficiency Program	14.896	N/A	<u>133,084</u>
Total HUD Federal Expenditures			<u>23,237,138</u>
U.S. Department of Labor (DOL):			
<i>Pass through from the State of Florida:</i>			
YouthBuild Program	17.274	YB-38203-22-60-A-12	<u>430,180</u>
Total DOL Federal Expenditures			<u>430,180</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 23,667,318</u></u>

LAKELAND HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Lakeland Housing Authority (the Authority) under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

LAKELAND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material Weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | None reported |
| 5. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 7. Identification of major federal programs: | |

- | | <u>Federal Assistance Listing No.</u> | |
|---|---------------------------------------|---------------|
| <u>Name of Federal Program or Cluster</u> | | |
| Moving to Work Demonstration Program | 14.881 | \$ 16,569,049 |
| 8. Dollar threshold used to distinguish between type A and type B programs: | | \$ 750,000 |
| 9. Auditee qualified as low-risk auditee? | | No |

LAKELAND HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

LAKELAND HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended December 31, 2024

The audit for the year ended December 31, 2023, disclosed no findings.